PRINCE2®
Foundation
Training Manual

Covers the full PRINCE2® Foundation Syllabus

A common sense and practical approach to understanding PRINCE2®

Buy the full version for £7 from Amazon

Sample Copy (40% of the content)

Or get it free with your PRINCE2 Foundation Exam

By Frank Turley
@PRINCE2 Coach

MANAGEMENT PLAZA
THE MANAGEMENT CERTIFICATION COMPANY
The PRINCE2® Foundation Training Manual

Thank you for reading our PRINCE2 Training Manual. The main objective of this book is to provide an easy-to-read and easy-to-understand PRINCE2® Foundation training manual. The idea for this book came from the questions I received from people trying to learn PRINCE2, and the fact that the official PRINCE2 manual “Managing Successful Projects with PRINCE2” is an excellent reference manual, but is not a training manual.

The official PRINCE2 Manual for the Project Manager can be rather difficult to pick up and read if you are new to both project management and PRINCE2. You acquire more from the official manual if you first understand the information in this training manual.

Henceforth, this book is meant to be (and is) an easy introduction to PRINCE2 based on the Foundation syllabus, and is quickly becoming the most read book for people wishing to learn about PRINCE2 and prepare for the Foundation Exam.

Feedback: We welcome any feedback (corrections or suggestions to improve).

PRINCE2 Self-Study Course

- This training material has been approved by APMG – See link
- This Foundation Training Manual will form part of our Foundation training
- We will create an audiobook version of this book, so you can listen to while going to and from work.

NR Sections

- There are some sections labeled NR – Not Required, meaning this section is not required to pass the Foundation Exam but provides useful background information.

Acknowledgements

Author: Frank Turley
Copyright © 2010 Frank Turley

Expert Reviewer: Peter Krischel
LinkedIn

Expert Reviewer: Danny Vandeweyer
LinkedIn

Thanks, also, to the following people for their feedback on this book:
Cesar Lopez, Dimitri De Ruelle, Eralp Tezcan, Luis Sequeira.

PRINCE2® is a registered trademark of AXELOS Limited. The Swirl logo™ is a trademark of AXELOS Limited.

Copyright © 2014 Frank Turley. No part of this document can be reproduced in any format without express permission of the author.
Distribution Copyright
This book has been provided to you on the condition that it is not copied, modified, published, sold, rebranded, hired out, or otherwise distributed for commercial purposes.

About the Author
Frank Turley (The PRINCE2 Guy) has been a Project Manager for more than 15 years and a PRINCE2 Practitioner.
You can contact Frank at:

E-mail: frank.turley@mplaza.pm
LinkedIn: www.linkedin.com/in/frankturley
Twitter: @prince2_coach

• The PRINCE2 Foundation Training Manual
• The PRINCE2 Practitioner Training Manual
• The PRINCE2 Practitioner Audio Course
• The PRINCE2 Sample Project

Self-Study Courses
These are the Self-Study guides that we have created for PRINCE2:

• Introduction to PRINCE2 eCourse (free)
• The PRINCE2 Foundation Self Study eCourse
• The PRINCE2 Practitioner Self Study eCourse

Free PRINCE2 Self Study for your organization
Management Plaza offers both the PRINCE2 Foundation and Practitioner Self Study courses (and other PRINCE2 material) to organizations that invest in project management knowledge.

For more information on this, contact frank.turley@mplaza.pm or +32 477 588 618.

Ordering & booking your PRINCE2 Exam
You can book your exams on our website; the process is quick and easy.

Advantages of ordering your exam from Management Plaza

• We provide Training Manual (Foundation or Practitioner)
• We provide full Self Study course with Exam
• We assist you in booking the exam
• We offer a very competitive price

Click here to order your PRINCE2 Exam.
PRINCE2 Foundation Self Study course

1. P2F. Introduction
   Length: 3 minutes
   You will get familiar with the six project variables, project characteristics, and understand the definition of a project.

2. P2F. Principles
   Length: 17 minutes
   You will get familiar with the seven PRINCE2 principles and you will gain a basic understanding of each of them.

3. P2F. Business Case
   Length: 22 minutes
   You will understand the purpose of the Business Case theme, recognize the difference between an Output, Outcome and Benefit, etc.

4. P2F. Organization
   Length: 28 minutes
   You will understand the purpose of the Organization theme, the project roles, the three project interests, etc.

5. P2F. Quality
   Length: 31 minutes
   You will understand how quality is defined, the quality to (still need to update)

6. P2F. Plans
   Length: 22 minutes
   You will understand when and where plans are created, who in involved, typical contents, levels of planning, etc.

7. P2F. Risk
   Length: 32 minutes
   You will understand what a risk is, how to describe a risk, the risk responses, risk budget, risk tolerance, etc.

8. P2F. Change
   Length: 24 minutes
   You will understand the purpose of the Change theme, the issue and change control procedure, the configuration management procedure, etc.

9. P2F. Progress
   Length: 26 minutes
   You will understand how the project is monitored and controlled, when this is decided, how reporting is done, etc.

10. P2F. Introduction to the Processes
    Length: 4 minutes
    You will receive an introduction to the seven PRINCE2 processes.

11. P2F. Starting Up a Project
    Length: 21 minutes
    You will learn the purpose and objectives of the Starting Up a Project process as well as the inputs and outputs.

12. P2F. Directing a Project
    Length: 11 minutes
    You will learn the purpose and objectives of the Directing a Project process as well as the inputs and outputs.

13. P2F. Initiating a Project
    Length: 9 minutes
    You will learn the purpose and objectives of the Initiating a Project process as well as the inputs and outputs.

14. P2F. Controlling a Stage
    Length: 10 minutes
    You will learn the purpose and objectives of the Controlling a Stage process as well as the inputs and outputs.

15. P2F. Managing Product Delivery
    Length: 7 minutes
    You will learn the purpose and objectives of the Managing Product Delivery process as well as the inputs and outputs.

16. P2F. Managing a Stage Boundary
    Length: 9 minutes
    You will learn the purpose and objectives of the Managing a Stage Boundary process as well as the inputs and outputs.

17. P2F. Closing a Project
    Length: 10 minutes
    You will learn the purpose and objectives of the Closing a Project process as well as the inputs and outputs.

18. P2F. PRINCE2 Foundation Exam Guidance & Syllabus
    Length: 15 minutes
    Some info on the PRINCE2 Foundation exam.

19. P2F. Learn Thru Questions: Additional Questions
    Length: 160 minutes
    Optional: This is another 320 Q&A course in PDF and Audio formats. You can practice while driving, walking, etc., at your own pace.

20. P2F. Two Sample PRINCE2 Foundation Exam Papers
    Length: 240 minutes
    These are two full practice PRINCE2 Foundation exam papers (2 * 75 questions). This is a good way to prepare for the exams.

21. P2F. Online Simulated Foundation Exam Questions - 420 Q&A
    Length: 180 minutes
    Choose 20 or 75 random exam questions. This interface is very similar to the actual online exam.

22. P2F. Course Evaluation: Thanks for your feedback
What is unique about our PRINCE2 Foundation Self Study course?

- The focus is on learning PRINCE2 rather than just passing the exam
- Use examples to help explain new topics (much easier to understand)
- Provides the best Introduction course to PRINCE2
- Only course that provides an Introduction in Video, Audio & PDF formats
- Only course to include a Foundation Training Manual
- Only course to include a Foundation Q&A Workbook
- Only course that provides an audio course with > 320 questions & answers
- Video course can be downloaded to Smartphone, tablet or PC
- Training material can be used after the exam to support the PM’s day to day work

Get this PRINCE2 Self Study Course free for your company

Partner with Management Plaza and share this PRINCE2 Self Study course with all project members in your organization. This will help your organization to increase its awareness of project management, help support PMO’s, Project Support teams and Project Managers. Contact us for more information if your organization is serious about improving project management skills and a person has been assigned to oversee this.

Send an email to Frank: frank.turley@gmail.com or GSM: +32 477 588 618
# Table of Contents

The PRINCE²® Foundation Training Manual ................................................................. ii
PRINCE² Self-Study Course ............................................................................................... ii
Acknowledgements .......................................................................................................... ii
Distribution Copyright .................................................................................................... iii
About the Author ............................................................................................................. iii
Self-Study Courses .......................................................................................................... iii

1 Introduction – PRINCE² ............................................................................................... 1
   1.1 The PRINCE² Foundation Training Manual ......................................................... 1
   1.2 What are Projects? ............................................................................................... 1
   1.3 Why a Project Management Method? .................................................................. 2
   1.4 Five characteristics of a project .......................................................................... 3
   1.5 What is PRINCE²? ............................................................................................. 3
   1.6 Six variables / six performance targets ................................................................. 4
   1.7 PRINCE² Structure (Elements) ........................................................................... 5
   1.8 Benefits of using PRINCE²: .............................................................................. 6
   1.9 What does a Project Manager do? ....................................................................... 6
   1.10 PRINCE² Foundation Exam & Syllabus ............................................................. 7
   1.11 What you need to know for the Foundation Exam ............................................. 7

2 The Process Model and Project Timeline .................................................................. 8
   2.1 The PRINCE² Process Model ............................................................................ 8
   2.2 Project Timeline overview ................................................................................... 8
       2.2.1 Starting Up a Project .................................................................................. 8
       2.2.2 Initiating a Project Process / Initiation Stage ............................................ 9
       2.2.3 Controlling a Stage – 1st delivery stage ..................................................... 10
       2.2.4 Next delivery stages .................................................................................. 12
       2.2.5 Last delivery stage and Closing a Project ................................................ 12
       2.2.6 Timeline Summary .................................................................................... 13
   2.3 What you need to know for the Foundation Exam ............................................. 14

3 Principles ..................................................................................................................... 15
   3.1 Introduction to principles .................................................................................... 15
   3.2 Principles: Continued Business Justification .................................................... 15
   3.3 Principles: Learn from Experience ....................................................................... 16
   3.4 Principles: Defined Roles and Responsibilities .................................................. 16
   3.5 Principles: Manage By Stages ............................................................................ 16
   3.6 Principles: Manage by Exception ........................................................................ 17
3.7 Principles: Focus on Products ................................................................. 18
3.8 Principles: Tailoring or Tailor to suit the Project Environment .................. 18
3.9 What you need to know for the Foundation Exam ..................................... 19
4 Themes Introduction .................................................................................. 20
  4.1 Introduction to Themes .......................................................................... 20
  4.2 List of Themes ....................................................................................... 20
    4.2.1 Theme: Business Case ................................................................. 20
    4.2.2 Theme: Organization .................................................................. 21
    4.2.3 Theme: Quality ........................................................................... 21
    4.2.4 Theme: Plans ............................................................................. 22
    4.2.5 Theme: Risk ............................................................................... 22
    4.2.6 Theme: Change .......................................................................... 23
    4.2.7 Theme: Progress ........................................................................ 23
  4.3 What you need to know for the Foundation Exam ..................................... 23
5 Business Case Theme ................................................................................ 24
  5.1 Introduction to Business Case Knowledge ............................................ 24
  5.2 What happens in the real world? ........................................................... 24
  5.3 The Business Case knowledge provided by PRINCE2 ............................ 24
  5.4 What does a Business Case do for the project? ..................................... 25
  5.5 How to best describe what you get from a project? ............................... 25
  5.6 The path to creating the Business Case ................................................. 26
    5.6.1 Step 1: Develop (Create) the Business Case ................................. 27
    5.6.2 Step 2: Verify the Business Case – By Project Board ................... 28
    5.6.3 Step 3: Maintain the Business Case ............................................. 28
    5.6.4 Step 4: Confirm the Benefits ....................................................... 28
  5.7 The Benefits Review Plan ...................................................................... 29
  5.8 The Contents of a Business Case .......................................................... 30
  5.9 Business Case example: A new CRM (Sales system) ............................ 30
  5.10 Business Case: Who is responsible for what? ..................................... 32
  5.11 What you need to know for the Foundation Exam ............................... 32
6 Organization .............................................................................................. 33
  6.1 Introduction to Organization Knowledge ............................................. 33
  6.2 What happens in the real world? ........................................................... 33
  6.3 The Organization knowledge provided by PRINCE2 ............................ 33
  6.4 Organization Definitions ...................................................................... 34
  6.5 Three Project Interests / 3 Stakeholder Categories ............................... 34
  6.6 The four levels of a project organization .............................................. 35
6.7 Project Board
6.8 The Project Board Roles
6.9 Project Assurance: User, Business & Supplier
6.10 The Change Authority Role
6.11 The Project Manager Role
6.12 Team Manager & Project Support
6.13 Stakeholder Engagement
6.14 The Communication Management Strategy
6.15 Responsibilities for Organization Theme
6.16 What you need to know for the Foundation Exam

7 Quality
7.1 Introduction to Quality Knowledge
7.2 What happens in the real world?
7.3 The Quality Knowledge provided by PRINCE2
7.4 Quality Definitions
7.5 Introduction to the PRINCE2 Approach to Quality
7.6 Part 1: Quality Planning Introduction
7.6.1 Quality Planning Steps – Quality Audit Trail
7.6.2 The Customer’s Quality Expectations
7.6.3 List Acceptance Criteria
7.6.4 The Project Product Description (Main Product)
7.6.5 Project Product Description Example (NR*)
7.6.6 The Quality Management Strategy Document
7.6.7 Product Descriptions
7.6.8 Quality Register (NR)
7.7 Part 2: Quality Control Introduction
7.8 The PRINCE2 Quality Review Technique
7.9 Responsibilities
7.10 What you need to know for the Foundation Exam

8 Plans
8.1 Introduction to Plans Knowledge
8.2 What happens in the real world?
1 Introduction – PRINCE2

1.1 The PRINCE2 Foundation Training Manual

The official PRINCE2 manual for the Project Manager is called “Managing Successful Projects with PRINCE2”; this is an excellent reference manual. The manual is designed for:

- Experienced Project Managers who want to learn PRINCE2.
- Project Managers who want to have a reference manual for PRINCE2.

This PRINCE2 Foundation Training Manual is different from the official PRINCE2 manual in the following ways:

- It is focused on the Foundation Exam syllabus.
- It is much more of a training manual and less of a reference manual.
- PRINCE2 terms are explained with examples, which make it easier to understand.
- The Manual is written in plain English so that you understand it the first time you read it.
- We have provided a lot of management documents examples.
- A project timeline overview has been provided to help understand how a project is divided.
- Questions at the end of each chapter provide a good way to test your knowledge.
- Available in PDF format (easier to search and find the information you are looking for).

To summarize, if you want to learn PRINCE2 and prepare for the PRINCE2 Foundation Exam, then use this PRINCE2 Foundation training manual. If you want a very good reference manual, then use the official PRINCE2 manual “Managing Successful Projects with PRINCE2”.

1.2 What are Projects?

Projects are seen as a way to introduce change, hence they are unique by nature, i.e., two identical projects are never done. Now, some of you may be thinking that in your company the same projects keep repeating. Well, if they are exactly the same, then these are referred to as processes; and processes that repeat are referred to as “business as usual” or operations.

Let us start with a more general definition of a project. I got this from Wikipedia:

*A project is a unique series of actions designed to accomplish a unique goal within specific time and cost limitations.*

I like this definition, as it is concise and easy to understand. It mentions terms like “series of actions,” “unique goal” and “within the constraints of time and money.”

Another definition of a project is as follows:

*A project is a temporary endeavour undertaken to create a unique product or service.*

This might sound like something from Star Trek, but it is actually from the Project Management Body of Knowledge (PMBoK®).

Now let us hear what PRINCE2 says about what a project is. This is a quote from the manual:

“A project is a temporary organization that is created for the purpose of delivering one or more business products according to an agreed Business Case.”
You may not have understood this, as you need to know a little more about PRINCE2 first. It should start to make more sense in a few minutes after I explain what is meant by words such as temporary organization and business case, which appear in the definition.

The word organization refers to the project team, the persons involved in the project, and how they relate to each other. Each project has a definite start and end, so it is temporary. Remember, projects that go on indefinitely are referred to as “operations” or “business as usual” and are not projects (e.g., maintenance of a software application).

Business Case is one of the documents that exist in a PRINCE2 project. It includes information such as the reasons for the project, the benefits, costs and time information and ROI (Return On Investment) calculation.

1.3 Why a Project Management Method?

Project Management deals with planning, delegating, monitoring and controlling the project; in other words, the administration of the project. The role of the Project Manager is to achieve project objectives within the targets set for time, cost, quality, scope, benefits and risk.

Let us look at some typical things that can go wrong in a project:

- Sample Project: A new house
  - Background information
    - Individual subcontractor firms are used to do the different specialist work (heating, electricity, fittings, etc...).
    - As you can imagine, these subcontractors may need to be managed.
  - Scenario 1:
    - You find out just one week before the plumbers are due to arrive that they may be delayed for one month.
  - Result of this scenario
    - Most of the planned work will be affected.
    - It will be difficult to reschedule other contractors.
    - You may still have to pay part of their costs (current contract conditions).
  - Scenario 2:
    - During the installation of the new window frames, you may find that the allocated space is too small.
  - Result
    - Again, this may affect the rest of the project and throw it off track.

Here you can see that a person (i.e. a Project Manager) is needed to plan the work, monitor the work, do numerous checks and signoffs, deal with risk, deal with issues as they arise, identify areas to cut costs, and so on.

Some other common project failures are:

- Insufficient product definitions at the start, resulting in the wrong product being developed.
- Lack of communication, which may cause a black cloud over the project.
- Poor estimation of time and cost, which may cause the project to run out of money.

And so, I hope you see there is a need for a good Project Management method.
1.4 Five characteristics of a project

Projects have a number of characteristics, which is how projects differ from business as usual or a repeating process.

**Change:** Projects are a way to introduce change.
*Example:* A new sales website will change how clients will purchase items.

**Temporary:** There should always be a definite start and end to a project, and it should stop once the required products are created. Ongoing maintenance of a product occurs after the project and is not considered part of the project.

**Cross-Functional:** A project involves people from different business departments and seniority that work together for the duration of the project.

**Unique:** Every project is unique, as there is always something different in each project. *Example:* Building a 4th house may be different in the following ways: the location is different, there’s a slight difference in the design, there are different owners, and owners want to change some fittings.

**Uncertainty:** As parts of the project are unique, this brings uncertainty, as you are not 100% sure how this is going to work out. Using the above example, the owners might keep changing their mind, some of their chosen house fittings may not arrive in time, temperatures may fall to below zero, etc.

These are the five characteristics of the project.

1.5 What is PRINCE2?

PRINCE2 is a generic method for Project Management, so it can be used for any project, from running a 1 to 2 day project for the TV Programme such as “The Apprentice” (a popular TV Programme in the UK and US) to a company acquisition or even to the construction of the main stadium for the London 2012 Olympic games.

PRINCE2 separates the management layer from the work to create the required products that the project has to produce (specialist work). This means that the same management layer can be used for different types of projects. The Management Layer refers to the organization of the project, such as Project Board, Project Manager and Teams. You will see this more clearly when we discuss the process model later.

A PRINCE2 project should include all 7 principles; these will be discussed and explained in the next chapter. The 7 principles are:

(Note: Don’t worry if you don’t understand what these mean for the moment.)

2. Learn from experience.
3. Defined roles and responsibilities.
4. Manage by stages.
5. Manage by exception.
6. Focus on products.
7. Tailor to suit the project environment.
1.6 Six variables / six performance targets

The 6 variables / performance targets are: Timescales, Costs, Quality, Scope, Benefits and Risk. You could also say that these are the six aspects of project performance to be managed during a project.

An easy way to remember them is to use the words TeCQuila SoBeR with Tequila spelled with TeCQ. This will give you Timescales, Costs, Quality, Scope, Benefits and Risks. Or you can use the memory aid “BC QRST”.

See the following Project Manager dashboard example. It has a dial for each of the 6 performance targets and the Project Manager will keep monitoring them during the project.

**Fig 1.1: PM Dashboard Example**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Timescales</strong></td>
<td>The question to ask for timescales is, “When will the project be finished?”</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>Projects have to give a return on investment; therefore, the questions to ask are: Are the costs being controlled? and Are we within budget?</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td>Will the product be usable at the end of the project (in other words, fit for purpose) and are products passing their quality checks?</td>
</tr>
<tr>
<td><strong>Scope</strong></td>
<td>Is the scope well defined and clear to all stakeholders? Care must be taken by the Project Manager to avoid scope creep, which is to allow new requirements to be added during the project.</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td>Why are we doing this project and what are the benefits? Benefits must be known, clear, and measurable, and the benefits need to be delivered.</td>
</tr>
<tr>
<td><strong>Risk</strong></td>
<td>All projects are unique and therefore have risk. How much risk can we take on and how can risk be managed? For example, in a project concerned with building a house, what happens if one of the subcontractors does not show up?</td>
</tr>
</tbody>
</table>
Fig 1.2 The six project variables / six performance targets

PRINCE2 deals with the planning, delegation, monitoring and control of all six project variables (performance targets). The PMBoK uses the term “6 competing Project Constraints”

1.7 PRINCE2 Structure (Elements)

The PRINCE2 manual says that the PRINCE2 method consists of 4 main parts and PRINCE2 has chosen the word Elements (or Integrated Elements) to represent these 4 parts. These elements are: Principles, Themes, Processes and Tailoring. You can use the structure of this manual to help you remember. First, you have the Principles, then Themes, then Processes and finally, the last chapter, which is Tailoring.

Fig 1.3 PRINCE2 Structure

- **Principles**: PRINCE2 says that each project should consist of the 7 PRINCE2 principles (in other words, “best practices” or good project characteristics).
- **Themes**: Themes answer the question regarding what items must continually be addressed during each project, e.g., Business Case, Organization, Quality, and Change.
- **Processes**: Processes provide information on the activities that are carried out during the project and by whom. Processes also answers “What products are to be created and when?”
- **Tailoring**: Tailoring answers one of the most common questions from a Project Manager, “How do I best apply PRINCE2 to my project or my environment?”
1.8 Benefits of using PRINCE2:

As you might possibly imagine, there are many advantages to using a Project Management method; this also applies to PRINCE2. I will list a few of them below. You don’t need to remember these, but it is good to be aware of them. I will also include some examples where necessary.

**Benefit 1:** Best Practice: PRINCE2 has been used for more than 30 years in many thousands of projects, and PRINCE2 keeps learning from these projects. So all the feedback, suggestions, learning from other methods, and discussions have helped PRINCE2 to become a best practice.

**Benefit 2:** PRINCE2 can be applied to any kind of project. This means that PRINCE2 can be used for projects as small as organizing a meeting, to huge projects the size of running an election, organizing a conference, constructing a bridge, or develop an IT System.

**Benefit 3:** PRINCE2 provides a structure for roles and accountability (also referred to as “Roles and Responsibility”). All persons on the Project Team should know what is expected of them. This is even more important for the Project Managers, as they have the duty of checking that tasks are completed as agreed.

**Benefit 4:** PRINCE2 is product-focused; meaning that the product is well-defined at the start of the project and is made known to all stakeholders. As a result, everybody has the same idea of what they are working on and the expected end-product.

**Benefit 5:** PRINCE2 uses Management by Exception. This allows the Project Manager to handle certain project issues, but once an issue goes beyond a certain tolerance, it becomes an exception. It should then be escalated to the next higher management layer. We could say that Management by Exception allows the above-management layer to manage a lower-management layer.

**Benefit 6:** PRINCE2 continues to assess the viability of the project from a Business Case point of view, and this happens throughout the project lifecycle. If, for example, the expected return on investment is no longer probable at any point in the project, then the project should be stopped.

You will see other benefits as you continue with this course.

1.9 What does a Project Manager do?

You might already have a good idea about what a Project Manager does, but very often the Project Managers find themselves doing a lot of tasks as they try to keep the project on track. This might seem like a good idea at first, but they will end up not managing the project in the long run.

Let us start at the very beginning. There is a project to do and, therefore, a Project Plan must be created. This is usually one of the first tasks for the Project Manager when the project starts up. They create the plan with help from specialists and it includes tasks such as leading a planning workshop, defining products, activities and dependencies, estimating resources required, scheduling these activities, and defining roles and responsibilities.

The main objective for the Project Manager is to see that the project goes according to the plan. They review the completed tasks, get signoffs, confirm that the following tasks can start, and so on. In other words, the Project Manager monitors how well the work is going according to the Project Plan. I will repeat this line in case you are in an elevator someday and somebody asks what you do. You can say “I monitor how well the work is going according to the project plan.”

**Monitor the 6 variables / performance targets**

The Project Manager will also constantly monitor the 6 variables we just discussed, and they are part of any project. These are Timescales, Costs, Quality, Scope, Benefits and Risk.
Dealing with Issues
The Project Manager also has to deal with issues as they arise. In the case of small issues, they might choose to handle these themselves (e.g. getting a supplier to work an extra day to solve the issue and get the project back on track). If an issue arises which could force the stage to go beyond the set tolerances, the Project Manager can escalate it to the Project Board.

Speed up the project
Another task of the Project Manager that is sometimes forgotten is to look for opportunities to speed the project up and reduce the costs.

Lastly, I recommend that Project Managers spend the necessary amount of time defining and agreeing on Roles and Responsibilities at the start of the project. Depending on your company, you might need good soft skills to do this. This will benefit the project and could also prevent some stakeholders from passing their work and responsibility back to the Project Manager.

1.10 PRINCE2 Foundation Exam & Syllabus
Here is some information on the PRINCE2 Foundation Exam.

<table>
<thead>
<tr>
<th>Time</th>
<th>1 hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questions</td>
<td>75 questions</td>
</tr>
<tr>
<td>Type</td>
<td>Multiple choice</td>
</tr>
<tr>
<td>Pass Rate</td>
<td>50% pass mark</td>
</tr>
<tr>
<td>Book</td>
<td>You cannot use the PRINCE2 manual during the Foundation Exam</td>
</tr>
</tbody>
</table>

The PRINCE2 Foundation level is aiming to measure whether a candidate could act as an informed member of a project management team on a project using the PRINCE2 method within an environment supporting PRINCE2. Therefore, the candidate must show they understand the structure and key terminology of the method. The candidate should understand the following:

- The characteristics and context of a project and the benefits of adopting PRINCE2.
- The purpose of the PRINCE2 roles, management products and themes.
- The PRINCE2 principles.
- The purpose, objectives and context of the PRINCE2 processes.

This PRINCE2 Foundation Training manual is in line with the PRINCE2 Foundation Syllabus. If you wish to have extra background information, refer to the PRINCE2 Practitioner Training Manual or the official PRINCE2 manual.

1.11 What you need to know for the Foundation Exam
From this Introduction chapter, you should be able to:

- Recognize the six aspects of project performance (six project variables / six performance targets (think TeCQuila SoBeR or BC QRST).
- Recognize the characteristics of a project (Change, Temporary, Cross-Functional, Unique, Uncertainty), and have an idea of what they mean.
- Recognize the definition of project.
- List the four integrated PRINCE2 elements: Principles, Themes, Processes, and Tailoring.
- Recognize the benefits of using PRINCE2.

The word “recognize” refers to the fact that you have to recognize this information if you see it written in a question, so you can choose the correct multiple-choice answer.
2 The Process Model and Project Timeline

2.1 The PRINCE2 Process Model

Perhaps you have seen and read the APMG approved book “Introduction to PRINCE2” (based on the PRINCE2 Process Model). This provides a helicopter view of PRINCE2 and is a great way to get an introduction to PRINCE2. So if you have not read it, don’t worry, as it is also covered in this chapter.

The Introduction to PRINCE2 book will:

- Give you a high-level introduction to the PRINCE2 Process Model.
- Show the relationship between Processes and Themes.
- Show how a project starts and how it moves from one process to another.
- Explain when, where and by whom the important documents are created.
- Cover the roles of the Project Manager and Project Board.
- Explain how the Project Board controls the project.
- Show how a typical project closes.

2.2 Project Timeline overview

The objective of this project timeline overview is to:

- Give you an idea of a sample project.
- Give you an idea of how the processes might relate to each other in a project.
- Show when the Project Board gets involved in a project.
- Show which processes are done once and which are done more than once.
- Show how stages relate and how the Closing a Project process is part of the last stage.

**Note:** I do not use the concept of Exceptions in this Timeline overview.

2.2.1 Starting Up a Project

The trigger to start the project is the project mandate. As you can see from the diagram, it appears from outside the project team. PRINCE2 says that the project mandate is created by someone from the Corporate or Programme Management.

Starting Up a Project (SU) is the first process and has the following main outputs that are given to the Project Board:

- The Project Brief, which contains the outline of the Business Case.
- The Project Product Description (part of the Project Brief).
- The Initiation Stage Plan, which is the plan for the Initiation Stage.

At the bottom of the diagram you can see the text “Pre-Project”. The SU process is considered to be outside the project. Actually, the project does not start until the Project Board takes their first decision. So, the SU process provides the information to start the project.

**Project Board 1st Decision:**

The very first decision the Project Board considers is whether to allow the Initiation Stage to start. This is known as “Authorize Initiation.” They determine whether the project is worth doing (desirable, viable and achievable), and check and approve the plan for the Initiation Stage.
Timing:

- The Starting Up a Project process can be very short compared to the rest of the project.
- This project example is about 8 months long, but an average time for a Starting Up a Project could be one week, so these figures are just to give you an idea. It will differ from project to project.

### Fix 2.1 Timeline example: Starting Up a Project

#### 2.2.2 Initiating a Project Process / Initiation Stage

After the first Project Board decision, the Project Manager uses the approved Initiation Stage Plan to run the Initiation Stage. This is the first stage of the project.

The Initiation Stage has the following main outputs that form part of the PID:

- The four strategy documents (Risk, Quality, Configuration, and Communication Management).
- The Business Case document (which is the responsibility of the Executive).
- The Project Plan.
- The Product Descriptions.
- Project Controls describing how the project will be controlled.
- Roles & Responsibilities / Project Management Team Structure.

Most of the work in this IP stage is facilitated by the Project Manager, with support from:

- The Executive to develop (refine) the Business Case.
- Persons representing users, who help with Product Descriptions and quality requirements.
- Specialists (also known as “Subject Matter Experts”), who help with Product-Based Planning, which includes the creation of the Product Descriptions and estimating (planning).
- The Senior user, who provides the expected benefits information, which are measurable and when (timeline) they are expected to be realized. This data is stored in the Benefits Review Plan.
Project Board: 2nd Decision:
At the end of the Initiation Stage, the Project Board is ready to make their 2nd decision, which is whether the project should be allowed to continue to the 2nd stage; they will only authorize one stage at a time. They will review most of the information in the PID, especially the Business Case, which includes an overview of the Risks, Benefits and ROI information. They will also review the Project Plan and the plan for the 2nd stage of the project. If the Project Board agrees, then they:

- Authorize the Project so the project can continue.
- Authorize the Next Stage so the first delivery stage can start.

Timing:
- The Initiation Stage is where most of the initiating a Project process activities are done. It is longer than the Starting Up a Project process and usually not as long as a normal stage but, again, this depends on the project. In some projects the planning the Initiation Stage can be much longer.
- In the example above, the Initiation Stage is 4 weeks, while the next stage is 8 weeks.

2.2.3 Controlling a Stage – 1st delivery stage
Controlling a Stage is where the Project Manager does most of their day-to-day work. They mainly do the following activities:

- Give out work to Team Managers in Work Packages, check up on the status of these Work Packages and accept Work Packages back when complete.
- Continually review the stage status (where are we now compared to the Stage Plan?).
- Provide regular reports to the Project Board.
- Capture and examine issues and risks, and escalate if necessary.
- Take corrective action to solve issues within their tolerance.

Fig 2.2 Timeline example: Initiation Stage
Managing a Stage Boundary (SB):
As you can see in the diagram below, the SB (Stage Boundary) process starts towards the end of the stage and before the Controlling a Stage process ends. The objectives of the Stage Boundary process are to prepare the following information for the Project Board:

- End Stage Report – How well the stage did compared to the Stage Plan.
- Update the Business Case and Project Plan with actuals to date.
- Next Stage Plan – A plan for the next stage that needs to be approved.
- Benefits Review Plan – Check and update if expected benefits have/ have not been realized.

Project Board Decision:
At the end of the stage, the Project Board will do the following:

- Review the current stage, mainly using the End Stage Report.
- Compare the progress of the project so far with the baselined Project Plan.
- Review the Business Case to see if the project is still viable, and check risk information.
- Check the Next Stage Plan, which is the plan to run the next stage.
- Review the Benefits Review Plan and compare expected benefits so far with actuals.

The very last thing that the Project Board does is to “Authorize the Next Stage” so that the Project Manager can continue with the next delivery stage.

Timing:
- In this example, the delivery stage is 8 weeks long. This will, of course, depend on the type of project and you will learn more about this in the Planning Theme.
- You will also learn what is meant by the term ‘planning horizon’.
2.2.4 Next delivery stages

Projects can have more than 2 stages, and they are all separated by a Project Board decision, as the Project Board uses stages to maintain control of the project.

As you can see from the example, this current delivery stage follows the same management pattern as the previous stage. The main differences between the two stages will be the content of the Work Packages given to the teams to develop.

**Project Board Decision:**
The Project Board will carry out the same activities as described at the end of the last stage.

**Timing:**
- In this example, the current stage is the same as the last stage and, again, this can vary depending on the project. For example, if there was little risk involved in the 2nd delivery stage and the Project Board has lots of confidence in the Project Manager after they have seen him/her manage the first stage, they might decide to lengthen the stages to 10 or 12 weeks.

---

### PRINCE2 Project Timeline / Example

<table>
<thead>
<tr>
<th>Stage</th>
<th>Project Board</th>
<th>Project Manager</th>
<th>Team Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-project</td>
<td>DP</td>
<td>SU - IP</td>
<td>MP</td>
</tr>
<tr>
<td>Initiation</td>
<td></td>
<td>CS</td>
<td></td>
</tr>
<tr>
<td>1st Stage</td>
<td></td>
<td>SB / CP</td>
<td></td>
</tr>
<tr>
<td>Stages</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Execution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reports &amp; Advice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reports &amp; Advice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Board decisions</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Fig 2.4** Timeline example: Next Delivery Stages

2.2.5 Last delivery stage and Closing a Project

The project will continue until all delivery stages are complete, and it will be closed at the end of the last stage. **Tip:** “The Closing a Project process is always the last part of the last stage.”

Normally towards the end of a stage, the Stage Boundary process is used to report on the current stage and plan the next one. As you can see from the diagram below, the Stage Boundary process is not used, but the Closing a Project process starts up near the end of the Controlling a Stage process. The Closing a Project process is where the Project Manager prepares the project for closure.
Fig 2.5 Timeline example: Closing a Project

The objectives of the Closing a Project process are to:

- Update the Project Plan to show what has been delivered and approved, and when.
- Hand over products, obtain acceptance, project evaluation and create the End Project Report.
- If necessary, check if expected benefits have been realized and update the Benefits Review Plan.

The last thing that the Project Manager will do in the Closing a Project process is to recommend Project Closure to the Project Board. Therefore it is not the Project Manager that closes the project.

Project Board Decision:

The last decision the Project Board will take is to close the project. This is known as “Authorize Project Closure.” Before taking this decision, they will do the following:

- Review the baselined documents (Business Case and Project Plan) from the PID with the current documents to see how the project has performed compared to the original goals.
- Confirm that products have been accepted and signed off.
- Check the Lessons Learned report and hand it over so that it can be used for future projects.
- Review the Benefits Review Plan and compare expected benefits so far with actuals.

Timing:

In this example, the stage is 9 weeks and the Closing a Project process is done over a period of two weeks. Again, this will be different for each project but it does give you an idea.

2.2.6 Timeline Summary

The objectives of this Project Timeline were to:

- Give you an idea of a sample project.
- Give you an idea of how the processes may relate to each other in a project.
- Show when the Project Board gets involved in a project.
- Show which processes are done once and which are done more than once.
• Show how stages relate and how the Closing a Project process is part of the last stage.

The Timeline diagram has also shown:
• How the project can be divided up: Pre-Project, Initiation, Delivery Stages and Closing.
• Which processes happen once or more than once in a project, e.g., the blue-coloured processes, such as Starting Up a Project, Initiating a Project and Closing a Project.

Fig 2.6 Project Board Decisions

2.3 What you need to know for the Foundation Exam

This is an extra chapter that I have added to help to introduce how a PRINCE2 project works. I feel it is important to understand how a project works before you are introduced to the Principles and Themes, as this will help your understanding. This information will be covered again in the Processes section, so I will discuss what you need to know as you are introduced to each chapter. For now, just be able to understand the information in this section of the manual.
3 Principles

3.1 Introduction to principles

Each PRINCE2 project should include the 7 principles and if even one of these principles is missing from the project, it cannot be considered a PRINCE2 Project.

I like the following definition of a Principle:

Principles provide a framework of good project practice for those involved in a project.

From a PRINCE2 point of view, a Principle is a core value that must always exist in a PRINCE2 project. To sum it up, think of principles as guides for good practice. There are seven principles below, and I have also included the theme or area where these principles are discussed. They can be summarized as follows:

<table>
<thead>
<tr>
<th>Principles</th>
<th>Which Theme or Information supports each Principle?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continued business justification</td>
<td>Theme Business Case &amp; Theme Progress</td>
</tr>
<tr>
<td>Learn from experience</td>
<td>Lessons Learned (Log &amp; Report)</td>
</tr>
<tr>
<td>Define roles and responsibilities</td>
<td>Theme Organization</td>
</tr>
<tr>
<td>Manage by stages</td>
<td>Theme Progress</td>
</tr>
<tr>
<td>Manage by exception</td>
<td>Theme Progress</td>
</tr>
<tr>
<td>Focus on products</td>
<td>Theme Plans</td>
</tr>
<tr>
<td>Tailor to suit the project environment</td>
<td>Tailoring information</td>
</tr>
</tbody>
</table>

Table 3.1 The Theme or Information that supports each Principle (NR)

3.2 Principles: Continued Business Justification

A PRINCE2 project must have continued business justification; therefore each project should have a Business Case. This means that the reason to start the project must make sense from a business point of view, and there must be a clear Return on Investment.

For example, the project will cost €20,000 but over the first 2 years, it will deliver a savings of €80,000 for the company. “Does the project have business justification?” is the same as asking “Does the project have a valid Business Case?” If at any time during the project, the expected Return on Investment falls (for example, by about 80%), then the project will most likely be stopped.

The Business Case document details the full Business Case, showing why the project should be done, the costs, the expected benefits and timescales. This information is also referred to as the business justification information. As the Business Case document is one of the first documents created in a project, it will prevent from starting some of the projects that have few real benefits for the company. The business justification is then checked throughout the lifetime of the project. This, for example, can happen at the end of each stage.

Even projects that are started to comply with new legislation require justification. For example, the cost of not complying with new legislation might affect the company’s market share, or the company could lose clients. This could therefore be given a monetary value.

The continued business justification principle supports the need for a documented justification at the start and during the project, so that decisions can be made with the business value in mind.
The Business Case is regularly reviewed during the project to check its continued business justification.

### 3.3 Principles: Learn from Experience

PRINCE2 project teams should learn from previous projects. They should therefore take initiative to uncover previous lessons learned and take these into account during the life of the project.

We have mentioned before that Projects are unique, meaning that there is always something new. This creates an element of risk in each project. We can also say that each project has some unknowns, which must be investigated. Now you can see why PRINCE2 urges the project team to take the necessary initiative to learn from similar projects that may have been done in the same company and if not, then get advice from other external people (for example, bring in external consultants).

“Learn from experience” covers the full lifetime of the project, from Starting Up a Project, as the project progresses until the Project Closes. Any lesson learned during the project should be documented. Documented lessons should be passed on so they are available for future projects.

PRINCE2 also states that it is the responsibility of everyone involved with the project to seek lessons learned rather than waiting for someone else to provide them.

### 3.4 Principles: Defined Roles and Responsibilities

In any project, people need to know what to do and what they can expect from others. From my perspective, this is one of the most important principles to get right from the beginning. PRINCE2 states that a project should have defined and agreed roles and responsibilities within an organization structure that engages the Business, User and Supplier Stakeholder interests.

Projects can have people from different departments or companies, so it is important that the project has a clear team structure, otherwise it might be impossible to manage the project.

According to PRINCE2, a project has 3 primary stakeholders. They are the Business sponsors, Users and Suppliers.

- Business sponsors are those who make sure the project delivers value for money.
- Users will use the products once created, so they receive the benefits.
- Suppliers provide the resources and expertise to the project and produce the products.

This principle states that these three primary stakeholders must be correctly represented in the Project Management Team and in the Project Board.

Each role in the project management team has a defined role and agreed responsibility, so to summarize the principle of “Defined Roles and Responsibilities,” a good Project Management structure answers the questions “What is expected of me?”, “What can I expect from others?” and “Who makes what decisions?”

### 3.5 Principles: Manage By Stages

A good way to go about doing any large task or project is to break it up into manageable chunks. In PRINCE2 we refer to these manageable chunks as stages -- actually, they are called Management Stages. A PRINCE2 Project is planned, monitored and controlled on a stage-by-stage basis. These Management Stages are separated by Decision Points (also known as “Control Points”) by the Project Board.

At the end of each stage, the Project Board assesses the performance of the last stage, the Business Case and the plan for next stage, and decides whether to proceed with the next stage.
The Project Board has greater control over the project when the number of stages is high, but this also gives them more work. Fewer stages in a project indicate that the Senior Management will have less control and a lesser amount of work for the Project Board.

There are advantages to working in stages, and they provide a good approach to project planning, as they:

1. Allow the project to be divided into a number of manageable chunks.

2. Have a high-level Project Plan for the whole project and a very detailed Stage Plan.

3. Make sure that plans for future stages can learn from previous stages. For example, if one team delivers their products quicker than expected, then this can be taken into account when creating the plan for the next stage.

There are a minimum of two management stages in a project: the Initiation Stage and one further Management Stage. The Closing a Project process is then the last part of the 2nd Stage in a two-stage project. A PRINCE2 project is planned, monitored and controlled on a stage-by-stage basis.

3.6 Principles: Manage by Exception

This is a term that people who are new to PRINCE2 will most likely not have heard before. As it is important that you understand it, I will start a simple explanation and then give you the PRINCE2 definition. When it comes to factors like time, cost, and scope, the Project Manager has some tolerance to play with before they have to advise the Project Board that there is or might be a problem (e.g. costs could change ±10%). If the problem is small and it remains within the tolerances (e.g. the costs increase by 2% -- less than the 10% tolerance), then the Project Manager can deal with it and doesn’t have to alert the Project Board and take up their time.

Manage by Exception is used by each level in the Project Organization to manage the level below. The layer below should only notify the above management layer if there is a big issue that is outside their tolerance. The PRINCE2 name for a big issue is Exception, which means the issue is outside the agreed tolerance.

Now, imagine you are sitting on the Project Board. If everything is going OK, you won’t hear from the Project Manager except for the regular reports during a stage and at the end of the stage, unless there is an exception, hence the term Manage by Exception. The PRINCE2 definition for Manage by Exception is as follows: A PRINCE2 project has defined tolerances for each project objective to establish limits of delegated authority.

PRINCE2 lists 6 tolerances that can be set. These are Time, Cost, Quality, Scope, Risk and Benefit. I will give examples only for Quality, Scope, Risk and Benefit, as Time and Cost are easier to understand.

- Tolerance Quality: You are creating a new GSM (a common name used to refer to a mobile telephone in Europe) and you want the keyboard to work for an average user for 7 years but you have a tolerance of ±5%.

- Tolerance Scope: The requirements for a new GSM will have mandatory requirements plus ‘nice to have’ requirements. So the project can decide which ‘nice to have’ requirements to include, but must include the mandatory requirements.

- Tolerance Benefit: A Benefit is a measurable improvement resulting from the project for one or more of the stakeholders. These are benefits for the project stakeholders. For example, increase marketing share by 5%, or create a new profitable market segment.

One question asked throughout the project is: “Is the project still on track to meet the expected benefits?”
• Tolerance Risk: Again, I’ll use the example of the GSM. There will be a set tolerance level for risk and if you hear of something that is above this level, then you will notify the Project Board. *Example:* You find out that the risk is now very high - that one of the providers cannot supply a 5 megapixel camera with the correct integration specifications. This can cause many issues for your project.

To summarize: Manage by Exception provides the above management layer with a system to manage and control the lower management layer, and they don’t need to be bothered by each small issue.

### 3.7 Principles: Focus on Products

You can imagine what happens when a product is not correctly described. All project stakeholders can have different ideas on what the product should be. This can cause many unnecessary meetings, time delays, unnecessary new requirements, misunderstanding of the quality required, additional costs and even an end product that is of no use to anybody.

A detailed Product Description will guide the project, build correct expectations, and help to deliver the required products. The PRINCE2 manual states the following: “A PRINCE2 project focuses on the definition and delivery of products, in particular, their quality requirements.”

A good Product Description provides clarity, as it defines the product’s purpose, composition, derivation, format, quality criteria and quality method. A good Product Description also makes it easier to determine resource requirements, dependencies, and activities.

The Focus on Products principle states that a Product Description should be written as soon and as clear as possible in the project, so that all stakeholders will have a clear idea of what to expect. The Plans theme supports the **Focus on Products** principle as Product Descriptions are created as part of product-based planning. (You will learn more about this in the Plans theme.)

### 3.8 Principles: Tailoring or Tailor to suit the Project Environment

A PRINCE2 project should be tailored to suit the project’s size, environment, complexity, importance, capability and risk. If your project is a small one, such as to host a workshop with 10 people, or a very large one, like building a nuclear power plant, then you should tailor PRINCE2 to suit the project, as PRINCE2 can be applied to any type of project.

One criticism most project managers often get is that, “We don’t need a Project Method. Our projects are not that big and a project method will add a lot of unnecessary paperwork to each project.” This would happen if you try to follow PRINCE2 like a robot, but that is not the way to use PRINCE2. I often use the popular TV program, *The Apprentice*, as an example. This is usually a 2-day project, where 2 teams compete with each other and each team has a Project Manager. You can see that PRINCE2 can be used by each Project Manager and the paperwork can be just a checklist with some notes. You can also see that most Project Managers keep making the same mistakes week after week. This shows that they don’t understand the principle of *Learn from Experience or Lessons Learned*.

The purpose of tailoring is to:

• Ensure that the Project Method relates to the project’s environment (i.e. if working in a financial environment, then align it with the existing management structure).

• Ensure that the project’s controls are based on the project’s scale, complexity, importance, capability and risk. (Note: If there is a lot of risk in your project environment, then more time should be spent on dealing with Risk).
The Project Initiation Documentation (PID) should describe how the PRINCE2 method is tailored for that particular project. Refer to “Tailoring” -- chapter 20 of this manual, for more information.

**Note:** This is all the information you need to know about tailoring for the Foundation Exam.

### 3.9 What you need to know for the Foundation Exam

There are normally 2 to 3 questions on principles. Therefore, make sure you have an understanding of this chapter, so that you will:

- Be able to recognize the principle names if mentioned in a question.
- Have a basic understanding of what each principle is about.
- Know how many principles a PRINCE2 project should have.
- Be aware of **Table 3.1 “The Theme or Information that supports each Principle.”** You don’t need to know this for the exam but it is a nice overview.

More information

[Click here](http://www.managementplaza.com) to get other free training material from Management Plaza

Companies who are investing in project management knowledge can get free access to our PRINCE2 Self Study courses. [Click here for more](http://www.managementplaza.com) information.
4 Themes Introduction

4.1 Introduction to Themes

PRINCE2 says that themes are the parts of the project that need to be continually addressed throughout the project lifecycle. Perhaps a better way to explain is by saying that Themes are knowledge areas, so each Theme provides knowledge (how to go about) on a specific area of project management, such as the Business Case, Planning, Quality, etc. Consider the following question for a moment:

**Question:** What activities will you do at the start of the project to set it up, define it and use to monitor and maintain the project throughout its lifecycle?

**Answer:** The answer to this question will be the themes.

- **We need a Business Case to define the reason for doing the project and to check to see if this reason is still valid. This is covered in the Business Case Theme.**
- **We need to know who is who, what they are doing, and what are their responsibilities. This is covered in the Organization Theme.**
- **We need to create the Product Descriptions and then create a Project Plan to guide the project and produce the products. This is covered in the Plans Theme.**
- **We need to monitor how the intended products will match users’ expectations, and then determine that the users will be able to utilize these products as expected. This is covered in the Quality Theme.**
- **We also need a way to evaluate and manage risks. This is covered in the Risks Theme.**

Remember that Themes are activities that you do at the start of the project to set it up and then use to monitor and maintain the project throughout its lifecycle. We could also say that Themes provide guidance on how things should be done during the project.

Themes should also be tailored to suit the project you are working on. This will depend on the project and the environment you are working in. For example, if you are building a lunar module, you have only one chance to get it right, so the Quality and Risks themes would be used in much detail.

**How do Processes Relate to Themes?**

The PRINCE2 processes address the chronological flow of the project. In other words, processes guide you through the typical activities that you need to do at different stages of the project.

For example, the Start-Up process activities and the Project Initiation process activities are all executed once. The themes that you work on in these processes (Business Case, Plans, Risk, etc.) will be used throughout the project lifecycle. Themes are therefore used throughout the project.

4.2 List of Themes

I will briefly discuss each Theme, explain what each one does, and what questions they help to answer. This will make it much easier for you to visualize and remember.

4.2.1 Theme: Business Case

The Business Case answers questions like:

1. Why are we doing this project?
2. What are the business reasons?
3. What are the benefits for the organization?

The Business Case Theme also describes how to define the Business Case. It will be possible to see if there is a valid Business Case at the start of the project and how to check if the Business Case still has value throughout the project. The Executive is responsible for creating the Business Case, but it can be written by others or with help from others. For example, the Executive might involve a person from the financial department to assist with all financial information.

The project mandate document usually contains some Business Case information. This is expanded into the outline Business Case at the start of the project and will become part of the Project Brief. It is further expanded to a separate Business Case document, which becomes part of the PID.

4.2.2 Theme: Organization

The Organization Theme answers the following questions:

1. Who is who in the project?
2. Who is sponsoring the project?
3. Who is responsible for the Business Case?
4. Who represents the Users and Suppliers?
5. What are the exact roles and responsibilities?
6. Who is the Project Manager?

A good way to remember this is with the following question: What are the rules of engagement?

The Organization Theme provides information on the Project Management Team, and its structure and accountability.

A PRINCE2 project is based on a customer/supplier environment. One party is the customer, who will specify the result and most likely pay for the project. The other party is the supplier, who will provide the resources, do the work and deliver the results.

PRINCE2 states that a successful Project [Management] Team should:

• Have Business, User and Supplier representation.
• Have defined responsibilities for directing, managing, and delivering the project.
• Have an effective strategy to manage communication flows to and from stakeholders.

4.2.3 Theme: Quality

The Quality Theme answers the questions:

1. What quality level must the product be at by the end of the project so that it can be correctly used as intended, or in other words, be fit for use?
2. What can we do to check the quality during the project and make sure the project delivers the required level of quality?

This theme helps to uncover the quality requirements. The PRINCE2 approach to quality is to focus on products as early as possible, question the level of quality expected of each product produced in the project, and then document this in the Product Descriptions.

The Quality Management Strategy document is used to define how quality will work in the project, such as standards to be applied and the various responsibilities for achieving the required quality levels during the project.
4.2.4 Theme: Plans

This Theme answers questions such as:

1. How to go about creating the project product
2. What will be the steps involved?
3. How to do product based planning?
4. What quality has to be attained
5. How much will it cost?
6. What will be the level of detail required for each plan?
7. Who from the Organization is involved and what is their responsibility?
8. When will certain things be done?
9. Who needs to receive a copy of the plans?

A PRINCE2 plan is not just a Gantt chart; it is a lot more comprehensive than that. It is a document that describes how, when and by whom a specific target or set of targets is to be achieved. These targets will include the project's products, timescales, costs, quality and benefits. There is a lot of text in a plan to help explain what will happen.

The Project Plan is updated at the end of each stage to show what has been done, the products developed so far, and the plan for the next stage. The project plan gives an updated picture of the status of the project that can be compared against the baselined Project Plan to see how well the project is going when compared to the original plan.

You will learn about the different levels of plans: (a) the Project Plan, which is a high-level plan and is mostly used by the Project Board; (b) the Stage Plan, which acts as a day-to-day plan for the Project Manager; and (c) the Team Plan, which is used by the Team Manager.

4.2.5 Theme: Risk

Each project is unique, as it tries to do something new. There is always a certain amount of risk attached to each project.

This Theme helps to uncover the following information:

1. What are the risks?
2. What if the risks happen?
3. How can risks be identified, analyzed and documented?
4. How can the possibility of risk be reduced?
5. How can risk be managed and monitored throughout the project?

Risk is an uncertain event or set of events that if they should occur, would have a positive or negative effect on the project. The word Threat is used to describe a risk that would have a negative impact on the project's objectives. The word Opportunity is used to describe a risk that would have a favorable impact on the project's objectives.

See Risk as having an impact on the project's objective rather than on the project itself. In other words, a risk can impact what the project wishes to achieve. Risk Management refers to the procedure to follow to identify and assess risk. Moreover, it refers to planning and how to respond to these risks. The Risk Management Strategy document describes the specific Risk Management techniques.
4.2.6 Theme: Change

All projects will have issues and most projects will have requests for change, as in new requirements. This Change Theme deals with the question: “What is the impact of this issue?”

Therefore, this theme describes (1) how the project can assess these issues and requests, (2) how to act upon and (3) how to manage them. All of these issues and changes can have a direct impact on the original Project Plan. Any proposed change must be correctly dealt with. All projects need a good Issue and Change Management approach from identification, assessment and control of issues.

Issues and Change Control happen during the full lifecycle of the project. Remember, the objective is not to prevent changes but to get changes agreed upon and approved before they can take place. The Change Theme also covers Configuration Management. Each project requires a Configuration Management System, which tracks products, issues and changes. The Configuration Management Strategy document describes how issues and changes will be handled in the project. It will answer questions such as:

1. How should products be planned, identified, controlled and verified?
2. How should issues and changes be handled?
3. What tools will be used (e.g., SharePoint, Niku Clarity, Shared Drive)?
4. What data should be kept for each product (e.g., Product Description, Configuration Item Records, etc.)?

4.2.7 Theme: Progress

During the project lifecycle, the project needs to be monitored. Highlight and Stage reports have to be written to show how the project is progressing in relation to the agreed plan. Checks must be done to ensure that the escalation process is working correctly. It is necessary to continually evaluate throughout the project lifecycle whether the project should be continued or not.

This theme, therefore, addresses the following concerns:

1. How the project will be controlled;
2. When reporting will be done;
3. Where we are now compared to the plan; and
4. Is the project still viable?

The purpose of the Progress Theme can be explained in three parts:

1. To establish how to monitor and compare actual achievements against those that have been planned.
2. To provide a forecast for the project objectives and the project's continued viability.
3. To be able to control any unacceptable deviations.

In other words, Progress is about checking development of the project when compared to the plan, checking the project viability, and controlling any deviations. Control is all about decision-making and is central to project management, so as to ensure that the project remain viable against its approved Business Case.

4.3 What you need to know for the Foundation Exam

This is an easy introduction chapter to Themes so it would be very good to understand this chapter. You will be able to answer a good number of Theme-related questions with this information.
5 Business Case Theme

5.1 Introduction to Business Case Knowledge

Let’s take a look at what will be covered in this Business Case Theme:

- The purpose of the Business Case Theme.
- What is a Business Case?
- What is meant by the terms Output, Outcome and Benefits? You will be able to give an example after this section.
- Types of Business Cases.
- The path to creating a Business Case. This includes the steps Develop, Verify, Maintain and Confirm and who is responsible for each step.
- The four points in the project where the Business Case can be verified.
- The approach to confirming the benefits and how the Business Review Plan is used during and after the project.
- The typical contents of the Business Case and Roles and Responsibilities.

5.2 What happens in the real world?

Before I heard of PRINCE2, I had the opportunity to be a Project Manager on a number of projects and I did not see a real Business Case document in most of them. However, someone somewhere in the organization had requested the project and found some budget to pay for this.

Did they write a Business Case document? Perhaps they did or perhaps this was just decided at a management meeting where one person presented the reasons why they needed a product, they got permission, and they agreed on a budget with the rest of the management team.

If you are a Project Manager, ask to see the Business Case for the project. You will learn what questions to ask about the Business Case by reading this Theme. If you work for a supplier that is generally contracted out to clients, then you may not get access to the Business Case, but you should have an idea of the potential value (benefits) of the project for the client.

As you will learn later, suppliers are supposed to have their own Business Case. Again, I have never seen this in paper format, but it usually goes something like this: If the cost to hire a permanent employee is €30 per hour, then the supplier needs to charge €50 per hour. If the client pays €50 per hour (+- 5%) then the supplier’s Business Case is valid.

5.3 The Business Case knowledge provided by PRINCE2

The purpose of the knowledge in the Business Case Theme is “to provide a structure to judge whether the Business Case is desirable, viable, achievable and worth the continued investment that is made during the project”.

You could also say the Business Case theme provides a mechanism to judge whether the project is and remains desirable and achievable.

Let us look at that statement again and break it up.

- Provide a structure: Provide guidelines to follow.
- Desirable: Determine if this product is really needed (benefits v. dis-benefits).
- Viable: Is it possible to do? Are we capable of delivering?
- Achievable: Is it possible to deliver the benefit?
- Worth the continued If not, then the project must be stopped.
5.4 **What does a Business Case do for the project?**

The Business Case gathers the information to allow the management to judge if a project is desirable, viable and achievable, and therefore worthwhile to invest in. The Business Case is normally developed at the start of the project unless it is provided by Corporate or Programme Management. Once created, it is then maintained throughout the life of the project. A good question to ask here is *“Why is the Business Case maintained and what does this mean?”*

Let me give you an example to explain this. Your company will invest €100,000 in a Sales application and it expects to have a return on its investment in 20 months due to reduction of two administrative persons, as less administrative work is required. The clients will be able to order and view all account information online and don’t need to call as often. So as you can see, this sounds like a good project.

However, 3 months into the project, you find out the following: Two of your bigger clients don’t wish to use Web-based applications in their purchasing department, so you will need to keep one admin person. The return on your investment (ROI) will change, therefore, as it will take 32 months instead of 20 to recoup the cost of the project. The Business Case needs to be updated with this information.

As the Project Manager, you want to show that the project is still worth doing (if you think it is), but you will recommend to the Project Board to stop the project if not.

As you can see then, the Project Manager is constantly asking *“Is the continued investment in this project still worthwhile?”*

PRINCE2 assumes that there will be a customer who is requesting a product, who will pay for the product and will perhaps use the product. PRINCE2 also assumes a Supplier who will produce the product. Both the customer and supplier can exist within the same company (two different departments), or the supplier can be external.

5.5 **How to best describe what you get from a project?**

PRINCE2 uses the terms *“Output, Outcome and Benefits.”* These terms help to describe what we get from a project. My objective here is to explain what these terms mean and, also, how they differ from one another.

I don’t like definitions that hang in the air. I prefer to use a focused question to help explain something, so I will start with 3 simple questions to help explain *Output, Outcome and Benefits.*

*Question to uncover Output:* What is the product that will be delivered by the project?

*Question to uncover Outcome:* What can the users do better with this product?

*Question to uncover Benefits:* List the measurable improvements of using this product.
Fig 5.1 Output, Outcome and Benefits

**Outputs:** The Outputs of a project are the products that the users will use. These are also known as specialist products and the project is set up to create these products.

**Outcome:** You may have heard the expression “outcome is a result of change.” From a PRINCE2 project point of view, we say that an Outcome is the result of the change derived from using the project's outputs. Outcomes describe what users can do better, e.g., faster reporting.

**Benefits:** PRINCE2 says that Benefits are the measurable improvements, resulting from an outcome that is perceived as an advantage by one of the stakeholders. Try to see Benefits as the measurable advantages of using the product. Benefits can be realized during the project, but most benefits are usually realized after the project has closed and sometimes a long time after.

**Exercise:** What are the Output, Outcome and Benefits for a new Sales system project?

**Output**
- **Question:** What is the product that will be delivered by the project?
- **Answer:** This is the Sales system.

**Outcome**
- **Question:** What can the users do better (differently) with this product?
- **Answer:** Some answers could be:
  - Sales orders are processed quicker and more accurately.
  - Client can access data online and track orders.
  - Easier for administration staff to track orders.
  - Easier to get reports from the system.

Notice how all the answers are vague, and there are no measured criteria.

**Benefits**
- **Question:** What are the measurable benefits of using this product?
- **Answer:** Some answers could be:
  - 40% cost-reduction in handling client data.
  - 15% increase in sales as users can order online.
  - Overall revenue increased by 12% annually.

**Exercise:** Think about a recent project and list the Outputs, Outcomes and Benefits.

### 5.6 The path to creating the Business Case

The Business Case is developed in the Initiation Stage and maintained during the project. The Business Case is first **verified** by the Project Board so that the project can start. It is then verified at key decision points during the project, such as at the end of each stage.

NR+ There are 4 steps to create the Business Case. They are:
1. Develop: Develop the Business Case.
2. Verify: Verify the Business Case.
4. Confirm the Benefits: These are defined in the Benefits Review Plan.

NOTE: * NR means this is Not Required for the Foundation Exam. This is just for background information.

5.6.1 Step 1: Develop (Create) the Business Case

The Executive is responsible for creating the Business Case, but it can be written by others or with help from others. For example, the Executive might involve a person from the financial department to assist with the financial information.

<table>
<thead>
<tr>
<th>When</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before the project starts</td>
<td>The <strong>Project Mandate</strong> document usually contains an outline of the Business Case and will explain the reasons why the project is needed.</td>
</tr>
<tr>
<td>Pre-Project (SU)</td>
<td>The Business Case information is taken from the project mandate and copied to the <strong>outline Business Case</strong>. It will be part of the Project Brief.</td>
</tr>
<tr>
<td>Initiating a Project (IP)</td>
<td>The <strong>outline Business Case</strong> is extended into the <strong>Business Case</strong> document usually by the Executive, with help from other people, and it becomes part of the PID.</td>
</tr>
</tbody>
</table>

Fig 5.2 Develop the Business Case
5.6.2 Step 2: Verify the Business Case – By Project Board

What does verify the Business Case mean?

- It means to determine whether the Business Case is worthwhile.
- This verification is done at a number of points in the project by the Project Board.

**Question:** Where do you think would be good points in the project for the Project Board to Verify the Business Case (to see if the Business Case is worthwhile)?

**Tip:** Project Board decision points.

![Fig 5.3 Verification Points](image)

Project Board verification points

- **Verification Point 1:** At the end of the “Starting Up a Project” (Pre-Project) process.
- **Verification Point 2:** At the end of the Initiation Stage.
- **Verification Point 3:** At the start of each new delivery stage.

Other verification points are anywhere the Business Case is updated or reviewed. Example: The Project Manager will check for continued business justification during the Stage Boundary process. In other words, the Business Case is used to justify the continuing viability of the project.

The Executive is responsible for ensuring that the project is value for money and is aligned with the corporate objectives, and also for assuring other stakeholders that the project remains viable. So, the Executive is the accountable person for the project, not the Project Manager.

5.6.3 Step 3: Maintain the Business Case

What is meant by Maintain the Business Case?

Maintain the Business Case refers to keeping the Business Case up to date (living document) to reflect what is happening in the project. It may be done when assessing Risks or Issues, or at the end of a stage. For example, some of the typical changes can be an increase or reduction in cost, new information on a risk, etc.

**So, when is a good time to update the Business Case during the project?** A good time to update the Business Case is at the end of every stage, as you will have the true cost of the last stage, and perhaps even the updated cost of the next stage, along with any information on issues and risks.

5.6.4 Step 4: Confirm the Benefits

Benefits are identified and written down at the start of the project in the document “The Benefits Review Plan” and the Business Case. For each benefit, you must include how the benefit will be
measured and when this benefit will be realized. This information is placed in the Benefits Review Plan.

**Example of measureable: X% reduction in costs, X% increase in profits**

Benefits are usually realized after the project is closed, but some can be realized *during* the project. The step **Confirm the Benefits** checks to see if expected benefits have been realized.

The diagram shows that confirming the Benefits is done at the end of each stage and after the project. The Benefits Review Plan may be updated at the end of each stage in the project.

### 5.7 The Benefits Review Plan

The purpose of the Benefits Review Plan is to identify the benefits and most importantly, to select how the benefits can be measured. In other words, the Benefits Review Plan is used to **plan** the assessment of benefits. You can then compare the new results to the current situation, so the current situation becomes the baseline.

Let’s take a Sales Application example: We can measure the following and baseline this information:

- Average cost to handle each order by telephone and follow-up.
- Average time and cost to create sales reports.
- Average time providing information to clients about orders and past orders.
- Customer satisfaction (take a survey today).

So the purpose of the Benefits Review Plan is to:

- Define clearly how to measure the benefits.
- Define the activities required to measure the expected project's benefits.

The Benefits Review Plan must include information on the expected **timeline** for these benefits. The Project Manager creates it in the Initiation Stage. The **Senior User** is responsible for specifying the benefits and realizing the benefits.

Why should the Senior User be responsible for specifying and realizing the benefits?

- The Senior User represents the users who are asking for a new product so they should be able to describe the expected benefits. These benefit descriptions should show that the project is value for money (worth the investment).
- The Senior User is then responsible for using the product to achieve the benefits, and they become more accountable to the Corporate or Programme Environment. This will also ensure their continued commitment during and after the project.

**Tip:** If you can’t measure a benefit, then don’t claim it.
5.8 The Contents of a Business Case

Business Case Introduction
The Business Case should describe the reasons for the project and include information on the estimated costs, risks and expected benefits. The Business Case contains the following parts:

<table>
<thead>
<tr>
<th>BC Parts</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>A short overview of the Business Case for upper management</td>
</tr>
<tr>
<td>Reasons</td>
<td>Reasons for doing the project (comes from project mandate)</td>
</tr>
</tbody>
</table>
| Business Options | PRINCE2 teaches that there are always three options to consider concerning any investment. These are:  
                  | Do nothing, Do the minimum, and Do something                                  |
|                | “Do nothing” may seem a bit strange, but let me give you an example. Suppose we discover that the benefits of the Sales project will not be reached, as more than 66% of customers would never wish to order online and prefer to use the telephone. Then it is better that we do nothing. The “Do nothing” option should always be the first option, as the Project Board will compare the fact of doing nothing with other options put forward that would require investment. The “Do the minimum” and “Do something” options would normally require a detailed Business Analysis showing costs, benefits, desire and viability. |
| Expected Benefits | List each benefit and how and when it can be measured.                      |
| Expected Dis-Benefits | According to PRINCE2 a dis-benefit is an outcome that is seen as negative by one or more stakeholders. Another name might be a negative side effect. For example, with the online CRM application, 50% of the current sales support staff may have to look for a new job. |
| Timescales     | Project starts and ends, when benefits will be realized.                    |
| Costs          | Cost for project plus expected on-going maintenance costs after the project. |
| Investment Appraisal | ROI information / calculation (costs v. benefits).                        |
| Major Risks    | A summary of the major risks (comes from Risk Register).                   |

5.9 Business Case example: A new CRM (Sales system)

Executive Summary
We recommend the development and implementation of a Web-Based Customer Relationship Management system to allow our clients to order online, view their order history, and download report information to Excel. We forecast to recover the cost of the project in 18 months, with a benefit of €24,000 for the following 3 years.

Reasons: The reasons for this project are as follows:
- To make it easier for clients to order and view order history.
- One of our biggest competitors is offering such a system and their salespeople are promoting this as a valuable service.
- To help to reduce our costs, as we can reduce one of our in-house salespersons.
- To reduce the errors we currently have with incorrect orders.
• To make it much easier for our in-house salespersons to follow up on orders and provide the correct information to the shipping department.
• To provide better sales reporting for Sales Manager with minimum effort.

Expected Benefits
• Reduce sales administrative costs by 30%.
• Forecast increase in sales by 5% to 10%.
• Prevent a 50% loss of existing clients to a competitor.
• Forecast reduction of 66% in errors in the ordering process.
• Reduce the time required to create sales reports by 25%

Expected Dis-benefits
• Most clients will now order and track their orders online without ever having to contact administrative personnel from the company. This may have a negative effect as the administrative people in the company communicate less with the customers.

Business Options
• Option 1: Do nothing:
  o Continue to lose sales, costs will stay high, lose market share.
• Option 2: Do the minimum:
  o Create own CRM database with MS SQL, SharePoint & Excel for reports.
  o Existing developer can focus on this project and after training.
  o However, this may take a long time, we don’t have the skills to gather the correct requirements, may have to go through 2 or 3 iterations before we have a working application and maintenance costs will be high.
• Option 3: Do something.
  o Use Cloud based CRM system like Salesforce.com, ZOHO, ProCRM.
  o Low cost, low maintenance and easy to customize to meet our requirements.
  o After some investigation and checking local references, it seems that ZOHO CRM is the best cloud option and integration with existing data is also possible.

Option 3 is the best choice as it can help the organization to meet the required benefits. The service is well supported, easy to customize, provides a mobile solution for sales persons, etc.

Timescales
• Project time: 5 months: Tolerance: ±3 weeks.
• Project Start: February 1st: Start with Requirements Analysis.
• Project Finish: August 1st.
• First Benefit Reviews will be 3 and 6 months after go-live.

Costs
• Estimated costs are €24,000.
• Estimated yearly maintenance and support is €4,000.
• Change budget (20% of the cost): €6,800 will be available.

Investment Appraisal (Simple)
• Estimated costs for project: €34,000.
• Estimate to save one of the two Admin Sales roles: €26,000 a year.
• Estimate to increase sales and therefore profit by 5%: €12,000.
• Estimated Return on Investment is less than 18 months.

Risks
• CRM provider may not be able to deliver our exact requirements using their easy-to-use configuration tools and may need to use more development services.
• Competitors may start using a similar system, which will affect our planned benefits.
• Clients may not like to use the system and may insist on ordering via telephone.

5.10 Business Case: Who is responsible for what?

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
</table>
| Corp / Programme Management | • Provide project mandate, which will contain reasons and perhaps most of the information required by the Business Case.  
                              | • They wish to know if the expected benefits are realized.                      |
| Project Board               | • Verifying the Business Case (e.g., at each decision point)                    |
| Executive                   | • Responsible for the business case and securing funding for the project.        
                              | • Responsible for the Benefits Review Plan during the project.                 
                              | • Making sure the project is value for money.                                   
                              | • Duty to other stakeholders to ensure that the project remains viable.         |
| Senior User                 | • Specifies the benefits.                                                        
                              | • Ensuring the benefits will be realized.                                        |
| Project Manager             | • Helps to prepares the Business Case in the Initiation stage.                   
                              | • Updates the Business Case during the project (maintenance).                   
                              | • Examines the effect of issues and risks on the Business Case.                 
                              | • Keeps the Benefit Review Plan up to date.                                     |
| Project Assurance           | • Assist in the development of the Business Case.                                
                              | • Helps to ensure the Business Case contains correct information.               |

5.11 What you need to know for the Foundation Exam

You should:
• Be able to recognize the purpose of the Business Case Theme (the purpose of the knowledge in the Business Case theme).
• Be able to recognize the difference between an Output (main product), Outcome (think of features) and Benefit (measurable).
• Know the purpose of the Business Case and the Benefits Review Plan.
• Be aware of some of the typical contents of a Business Case (see the Business Case example), however this is not a requirement.
• Explain what is meant by “PRINCE2 is based on a customer supplier environment”.
6 Organization

6.1 Introduction to Organization Knowledge

Let us take a look at what will be covered in this Organization Theme.

- The purpose of the knowledge contained in this Organization Theme.
- Some Organization definitions, what a project is, what a Programme is.
- The three stakeholder categories (the three primary stakeholders).
- The four levels in a project and three levels in a Project Management Team.
- The duties and roles of the Project Board.
- The duties and roles of the Project Manager Role, and the skills required.
- Introduce other project roles such as Change Authority, Team Manager & Project Support.
- Working with the Project Management Team and the stakeholders.
- The Communication Strategy document, the reason for this document and typical contents.
- And finally, the responsibilities of the different roles in the Organization Theme.

6.2 What happens in the real world?

In some cases, the task of defining the Project Organization and Roles and Responsibilities is rushed and other activities, such as starting to develop the products ASAP, are seen as more important. As a Project Manager, you depend on other people to make decisions, to provide you with information, and to carry out activities. Therefore, it is important to get this on paper and agreed on; otherwise you might find yourself chasing ghosts during the project.

One of the first tasks a Project Manager should do on a project is to get a good idea of who is who in the organization and their roles and responsibilities. Start with the Executive, who might even need to be reminded that they are responsible for the project, not the Project Manager.

The management might put pressure on the Project Manager to start producing products ASAP, as they want to start using or selling the products that will be produced by the project and they are unaware of the importance of what happens in the Starting Up a Project and Initiating a Project processes. The Project Manager can use some of the following ideas to help document the project organization:

- Look at Roles & Responsibilities profiles in similar projects in the organization.
- Meet with the Executive to discuss their responsibilities, and design the Project Board.
- Prepare a workshop-type meeting with the Project Board and use the knowledge in this Theme to define the most appropriate questions to ask (e.g., How should communication be done during the project? and Who is responsible for defining the benefits?).
- Confirm that each person has the necessary authority, knowledge and availability, and agree (in writing) on their roles and responsibilities.

6.3 The Organization knowledge provided by PRINCE2

The purpose of the knowledge in this Theme is to help define and establish the project's structure of accountability and responsibilities; in other words, identify the “Who” of the project.

A PRINCE2 project is based on a customer/supplier environment. One party is the customer, who will specify the results and most likely pay for the project, and the other party is the supplier, who will provide the resources, do the work, and deliver the required products.
What do you think makes a successful project team? PRINCE2 states that a successful project team should:

1. Have Business, User and Supplier representations.
2. Have defined responsibilities for directing, managing, and delivering the project.
3. Have regular reviews of the project to check that all is on track.
4. Have an effective strategy to manage communication flows to and from stakeholders.

In summary, each project needs to have direction, management, control, and communication.

The Organization Theme provides the knowledge to help define and establish the project's structure of accountability and responsibilities.

6.4 Organization Definitions

Project Definition: What is a Project?
A common definition of a Project is: "a designated set of tasks needed to accomplish a particular goal." PRINCE2 defines a project as: "a temporary organization that is created for the purpose of delivering one or more business products according to an agreed Business Case".

Programme Definition: What is a Programme?
A Programme is a temporary flexible organization structure created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organization's strategic objectives.

For example, a company might create a Programme to implement Six Sigma in each department and country in an organization. The strategic objective here is to improve quality by x% using Six Sigma. The Programme may launch many different projects to achieve this, which could be per department or country, and all will be controlled by the Programme.

Corporate Organization: What is a Corporate Organization?
A Project can be part of a Programme. If it is outside a Programme, we say that the project exists in the company organization, as some companies may not have a Programme environment setup. PRINCE2 uses the term Corporate Organization to refer to the organization leadership.

Roles and Jobs Definitions
PRINCE2 places project responsibilities into roles, not persons. These roles can then be assigned to persons. In this way, one person can have more than one role. For example, in large projects, the Project Support role can be assigned to one or more persons. In small projects, the roles of Project Manager and Project Support can be assigned to the same person.

Stakeholder
A stakeholder is any person or group that can be affected by the project or have an effect on the project. This includes the Project Board and the Project Team, the potential users, others that may benefit (shareholders), as well as those who may be negatively affected.

6.5 Three Project Interests / 3 Stakeholder Categories

A PRINCE2 project should always have three primary categories of stakeholders (three primary stakeholders), and these also have to be represented in the Project Board. These are Business, User and Supplier.
**Business Interests**
The Executive role on the Project Board looks after the Business interests. There must be a Business Case; otherwise the project cannot (should not) start. They keep asking the question: "Is this project value for money?"

**User Interests**
Users benefit from the delivered products, as they will use the products. Users can also operate, maintain or support the projects outputs. Users need to be represented on the Project Board to make sure that the correct products are produced and to the agreed quality level. The Senior User role will represent the User interests on the Project Board.

**Exercise:** Look at the following situation: Who do you think should be the Senior User and therefore represent the users on the Project Board?

The company is a technology research company. The project is to develop a product for an outside company, such as a new stereo headphone for a mobile phone manufacturer.

**Suggestion:** In this case, the Senior User could be someone from the Sales Department or an Account Manager, as they wish to make sure the products will meet the customers’ expectations and sell in future. It could also be someone from the Customer.

**Supplier Interests**
The Supplier provides the resources and the skills to create the products. In an organization, this could be either internal or external. For example, an internal IT department or external IT company. The Supplier interests are represented on the Project Board by the Senior Supplier role.

**Customer/Supplier**
The term customer is a collective term, which can incorporate the user and business interests on some projects (here the users are internal to the organization that is paying for the project).

E.g. Sales Department wants to have a new sales application.

The term customer can refer to just the user interests and the supplier will incorporate the business and supplier interests (here the users are usually external to the organization that is paying for the project)

E.g. a magazine company creates a new online news service for clients.

### 6.6 The four levels of a project organization
It is important that you understand the difference between the Project Management structure (project organization) and Project Management Team. The Project Management structure has 4 levels and the Project Management Team has 3 levels.
The 4 levels of a Project Management structure/project organization are:

- (1) Corporate or Programme Management Level.
- (2) Direction Level, (3) Managing Level, (4) Delivery Level.

The 3 levels in the Project Management Team are:

- (1) Direction Level, (2) Managing Level and (3) Delivery Level.

The Corporate or Programme Management level sits outside the Project Management Team.

**Level: Corporate or Programme Management Level**

This level is responsible for commissioning the project and identifying the Executive. They decide at the start of the project how the Project Board will keep them updated during the project and will also define the project tolerances that the Project Board will work within.

**Level: Directing** (Project Board)

The Project Board is responsible for directing the project and is accountable for the success of the project. They do the following:

1. Approve all resources and major plans, e.g., Project Plan, Stage Plans.
2. Authorize any deviation if tolerances are forecast to or have exceeded.
3. Approve the completion of each stage and authorize each new stage.
4. Communicate with other Stakeholders, which include Corporate/Programme Management.

The process *Directing a Project* describes the work of the Project Board.

**Level: Managing** (Project Manager)

The Project Manager is responsible for the day-to-day management of the project. The Project Manager’s primary responsibility is to ensure that the project produces the required products in accordance with the goals, which are *time, cost, quality, scope, risk* and *benefits*.

![Project Management Team Structure](image)

**Level: Delivery** (Team Manager)

The Team Members are responsible for delivering the project’s products at a certain quality, and within a specific timescale and cost. A Team Manager can have the authority and responsibility of creating plans and managing a team to create and deliver the required products.

The process *Managing Product Delivery* is where the teams produce the specialists’ products.
6.7 **Project Board**

The Project Board consists of the Executive, the Senior User and the Senior Supplier. Only one person can be the Executive while both the Senior User and Senior Supplier’s roles may be assigned to one or more persons. The Executive owns the Business Case and has the final word on decisions that are taken, so the Project Board is not a democracy.

The Project Board has the following duties:

1. To be accountable for the success or failure of the project.
2. To provide unified direction to the project and Project Manager.
3. To provide the resources and authorize the funds for the project.
4. To provide visible and sustained support for the Project Manager.
5. To ensure effective communication within the project team and with external stakeholders.

In real life, far too many projects have Project Boards that don’t understand their role and don’t provide the Project Manager with proper support.

6.8 **The Project Board Roles**

**The Executive:**

The Executive is appointed by Corporate or Programme Management. The Executive is responsible for the project and is supported by the Senior User and Senior Supplier Roles.

The Executive also gives a single point of accountability for the project. Usually the Executive will be responsible for designing and appointing the Project Management Team, including the rest of the Project Board and the Project Manager.

The Executive is responsible for developing the Business Case at the start of the project and keeps asking *“is the project still value for money?”* during the project.
The Senior User:
The Senior User has the following responsibilities:

• To specify the needs (requirements) of the Users that will use the project products.
• To liaise between the Project Management Team and the Users.
• To make sure the solution will meet the needs of the Users, especially in terms of quality and ease of use, and against requirements.
• To supply the benefits information for the Benefits Review Plan.

The Senior Supplier:
The Senior Supplier Role represents the interests of those designing, developing, facilitating and implementing the project’s products. They provide supplier resources to the project and ensure that the right people, tools, equipment and knowledge are in place, and that the products will meet the expected criteria, including quality criteria.

The Senior Supplier can come from the customer organization (e.g., Purchasing Manager) or they can come from a supplier. The Senior Supplier role can be one or more persons.

6.9 Project Assurance: User, Business & Supplier
First, why do we need Project Assurance? Consider the following situations:

• We have a new Project Manager in the company who is not fully aware of the corporate quality standards, so they will most likely deliver a product that cannot be used as expected.
• A Project Manager might have discovered a big issue but is afraid to report it, as they don’t want to be the bearer of bad news. So they keep quiet and hope the issue will go away.

For each of these situations, the Project Manager may be telling the Project Board that everything is fine and that the project is going as planned, so it is important that the Project Board get a second opinion and this 2nd opinion is called Assurance or Project Assurance.

• The Executive is responsible for Business Assurance.
  o They wish to ensure that the business aspects of the project are correct.
  o They keep asking: Is the project value for money?
• The Senior User is responsible for User Assurance.
  o They wish to ensure that the project will deliver the correct products and these products will meet the expected requirements.
  o They keep asking: Will the product work as expected?
• The Senior Supplier is responsible for Supplier Assurance
  o They want to ensure that the products will be delivered as expected and that the right materials and people are in place to do the work.
  o They keep asking: Can it be done within time, cost, and other variables?
The Project Board can decide to do this assurance themselves or they can assign these assurance tasks. Project Assurance persons should support the Project Manager, that is, to make them aware of standards which they should use in the project. The Project Manager should also feel comfortable to ask for guidance from Project Assurance.

6.10 The Change Authority Role

Change Authority is a person or group to which the Project Board may delegate responsibility for the consideration of requests for change or off-specifications and this role is part of the Project Management Team. The Change Authority may be given a change budget and can approve changes within that budget.

Change Authority may delegate to a number of levels, depending on the severity of the change. As you can see, the different roles can have Change Authority responsibilities:

<table>
<thead>
<tr>
<th>Severity - Change Request</th>
<th>Who decides?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 5</td>
<td>Corp / Programme Management</td>
</tr>
<tr>
<td>Level 4</td>
<td>Project Board</td>
</tr>
<tr>
<td>Level 3</td>
<td>Change Authority</td>
</tr>
<tr>
<td>Level 2</td>
<td>Project Manager</td>
</tr>
<tr>
<td>Level 1</td>
<td>Project Support / Help Desk</td>
</tr>
</tbody>
</table>

For example, a Level 2 issue (change request): The Project Manager could decide if only one product is affected and the change is less than €400, and of course, within tolerance.

Why doesn’t the Project Board do all Change Authority during a project?

If few changes are expected, then the Project Board can do this. If many changes are expected, then it is better to use a separate Change Authority group. This is more efficient for the change process and less time is demanded from the Project Board, as they are busy people.

6.11 The Project Manager Role

The Project Manager manages a project on a day-to-day basis and is the only one with this day-to-day focus on the project. As a result, this role can never be shared. The Project Manager runs the
project on behalf of the Project Board within specified constraints and liaises throughout the project with the Project Board and Project Assurance.

The Project Manager usually (preferred by PRINCE2) comes from the customer. They are responsible for all of the PRINCE2 processes except for the “Directing a Project” process.

The Project Manager is responsible for the Project Support and Team Managers. In smaller projects where there are no Team Managers, the Project Manager will manage the Team Members directly, and where there is no Project Support, the support tasks fall on the Project Manager.

What kind of skills do you think a Project Manager should have?

They need to have good communication, cost management, an ability to understand the quality process, process change requests, document user needs, monitor the project, as well as planning, leadership and team-building qualities, including teamwork, problem-solving, reporting, facilitating meetings and conducting workshops.

They must be proactive (anticipate things) and not sit around and waiting for things to happen.

Which other roles can the Project Manager perform?

- The Project Manager may take on the role of Project Support, Team Manager (if they have specialist knowledge) and Change Authority (if permitted by the Project Board).

6.12 Team Manager & Project Support

Team Manager Role

The role of the Team Manager is optional and is usually used:

- If the project is quite large and there are many team members.
- If there is a need for specialized skills or knowledge of the products to be produced (e.g., to run a Java development team, research on a specific product, etc.).
- For geographic reasons, where some team members are situated at another site, so you work with a team manager at the remote sites.
- If you are using an external company and it is easier and more efficient to coordinate with a Team Manager rather than all the team members directly.

The Team Manager has the responsibility to produce the products that were assigned in Work Packages (a group of Product Descriptions, etc.) by the Project Manager, and to provide regular status reports to the Project Manager.

Project Support

The Project Support Role provides the following services to the project:

- Administrative services (to support the Project Manager), advice or guidance on the use of project management tools or Configuration Management.
- Can also supply planning or risk management services.
- The typical responsibility for Project Support is Configuration Management and, therefore, follows the guidelines in the Configuration Management Strategy document. This is one of four strategy documents created at the start of the project.

The responsibility of Project Support is with the Project Manager. This role is not optional, so it needs to be assigned to a person or persons. Bigger Organizations might have a Project Office (also referred to as a Project Support Office) that provides these services for a number of projects.
6.13 Stakeholder Engagement

What is Stakeholder Engagement? Stakeholder Engagement is the process of identifying and communicating effectively with those people or groups who have an interest in the project’s outcome. Just think about all the stakeholders if you were a new incinerator in the outskirts of a city. You will have local housing groups, building contractors, city council, future workers, environment agency, etc., and some stakeholders can be for or against the project.

PRINCE2 states that communication with stakeholders is the key to the project’s success. This is something that the Project Manager and Executive should keep in mind during the project. Communication with stakeholders during the project will be defined in the Communication Management Strategy document.

6.14 The Communication Management Strategy

What is the Communication Management Strategy document? It is a document that defines in detail how communication will be done during the project (e.g., what is being communicated, to whom is it being communicated, and how often). The Project Manager will refer to this document during the project.

The Communication Management Strategy defines the rules of engagement for how communications should be done during the project.

What does the Communication Management Strategy document contain? It contains a description of the means (how) and the frequency of communication to internal and external parties. This can also include the Programme Management if the project is part of a program.

The Project Manager is responsible for creating the Communication Management Strategy during the Initiation Stage of the project. This should be reviewed during the Managing a Stage Boundary process to ensure that key stakeholders are receiving the required communication.

The Communication Management Strategy document contains the following information:

1. An introduction to remind the reader of the purpose of the document for this project.
2. Communication Procedure: A description of the communications methods that will be used, such as electronic mail, meetings, and presentations).
3. Tools & techniques, such as e-mail, intranet, newsletter.
4. Reporting: Types of reports and the information they should contain.
5. Timing: States when communication activities will be done.
6. Roles & Responsibilities: Who will handle the communication?
7. Stakeholder Analysis: Type of Stakeholder and the relationship desired with Stakeholder.
8. Information Needed: Information required from project, including the frequency of the communication and the format of it.

Usually a Communication Management Strategy template document will be provided by the Corporate or Programme environment. This can be slightly customized by the Project Manager for the project, so it does not have to be too much work.
6.15 Responsibilities for Organization Theme

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corp / Programme Management</td>
<td>• Appoint the Executive and perhaps the Project Manager in SU process</td>
</tr>
<tr>
<td></td>
<td>• Can provide Communication Management Strategy template</td>
</tr>
<tr>
<td>Executive</td>
<td>• Can appoint Project Manager if not done by Corp / Programme Mgmt</td>
</tr>
<tr>
<td></td>
<td>• Chooses Project Board and confirms Project Management Team</td>
</tr>
<tr>
<td></td>
<td>• Approves Communication Management Strategy document</td>
</tr>
<tr>
<td>Senior User</td>
<td>• Provides user resources</td>
</tr>
<tr>
<td>Senior Supplier</td>
<td>• Provides supplier resources</td>
</tr>
<tr>
<td>Project Manager</td>
<td>• Prepares Communication Management Strategy document in Initiating a Project process</td>
</tr>
<tr>
<td></td>
<td>• Prepares Role Descriptions for project management team in SU process</td>
</tr>
<tr>
<td></td>
<td>• Assists in the development of the Business Case</td>
</tr>
<tr>
<td></td>
<td>• Helps to ensure the Business Case contains correct information</td>
</tr>
<tr>
<td>Team Manager</td>
<td>• Manages team members</td>
</tr>
<tr>
<td>Project Assurance</td>
<td>• Advises on the selection of the project management team</td>
</tr>
<tr>
<td></td>
<td>• Ensures the Communication Management Strategy is appropriate</td>
</tr>
</tbody>
</table>

6.16 What you need to know for the Foundation Exam

You should:

• Be able to recall the defined roles within the Organization theme.
• Be aware of how this theme supports the principle: Defined roles and responsibilities.
• Understand the purpose of the Organization theme.
• Know in which process the Organization theme is applied.
• Know the three project interests.
• Know the four levels of the project management structure to apply to the process model
  The four levels are:
    o (1) Corp / Programme Management, (2) Direction, (3) Management, (4) Delivery.
• Know the difference between the project stakeholders and project decision-makers.
• Know the purpose of the Communication Management Strategy.
7 Quality

7.1 Introduction to Quality Knowledge

Let us take a look at what will be covered in this Quality Theme.

- The purpose of the knowledge in the Quality Theme
- Definitions for terms such as Quality, Scope, Quality Management System, Quality Planning, Quality Control and Quality Assurance. This will enable you to understand and explain all of these terms.
- The PRINCE2 Approach to Quality, two parts: Quality Planning and Quality Control.
- Customers Quality Expectations and how to extract this information.
- How Acceptance Criteria is used (checklist).
- Adding Quality information to the Product Descriptions.
- The Quality Management Strategy document, which defines how Quality will be carried out in the project. You will learn the type of information contained in this document.
- The Quality Register is a diary of quality events that is kept up to date during the project. The Quality Register will help your understanding of this theme.
- Introduction to Quality Control.
- The PRINCE2 Quality Review technique, which is a Quality Inspection technique and includes the roles of Chair, Reviewer, Presenter and Administrator.
- And finally, the responsibilities of the different roles in the Quality Theme.

7.2 What happens in the real world?

Quality is something that project methods talk a lot about and it sounds great, but in reality, this is something that some Project Managers don’t understand. Some companies have a Quality Management System in place that describes how Quality should be done in that organization. Most often, this can be for specific departments in the company and may be only suited to specific types of products. Therefore, other projects cannot make use of this Quality Management System.

Quality can be difficult to define (if you don’t know how) and many people do not know how to explain it in a simple way. For example, let’s suppose the Sales Manager was asking for a new Sales system and you asked him to define the requirements. You will normally receive a list of requirements, but then if you ask them “What about quality?” or “What are your Quality Requirements?” you would leave them speechless, which may not be a normal state for a sales manager. So it is up to us as Project Managers to ask better questions.

Another point, if you don’t consider Quality at the start of your project, it is very difficult to end up with quality (a usable product). So, Quality must be addressed at the very start of the project

The good news is that the Quality Theme in PRINCE2 provides a simple solution for this. It describes how Quality can be defined, measured and controlled during the project.

7.3 The Quality Knowledge provided by PRINCE2

The purpose of the knowledge in the Quality Theme is to define and implement a system that will create and verify that products are fit for use and meet requirements. Hence, the Quality Theme defines the PRINCE2 approach to ensure that products created during the project meet the expectations, and that the end product can be used as intended.
If the quality of the products is not as expected, then the expected benefits that should be realized will not be achieved.

You might remember that product focus is one of the principles of PRINCE2, which means that a project’s products should be clearly defined at the start of the project or in a Stage Boundary process, so products are signed off (baselined) before development begins. The Project Plan and the Stage Plan will also include the quality control activities.

Product Descriptions must include the Quality criteria information so that all project stakeholders have a common understanding of the products that will be created.

For example, if you are creating a new can opener, some of the quality criteria might be:

- Stainless steel and plastic handle should keep their color for 20 years.
- Dishwasher-proof.
- Mechanical parts must open 35,000 cans.
- Easy to use.

As you can see, the Quality criteria gives a lot more detail about the product.

So, the Quality Theme provides a method to help specify the Quality, to carry out Quality control, to explain how to get approved, and to facilitate the management of Quality during the project.

### 7.4 Quality Definitions

Quality has its own terms and these terms can mean different things to different people. The terminology used by PRINCE2 comes mainly from ISO 9000 standard. Just read these definitions for now; they will be explained further in this chapter.

**Quality**

Quality is generally defined as the total amount of features or characteristics of a product, such that it meets expectations and satisfies the stated needs. This might seem a little strange, but think about it for a moment. It is the same as saying that all features of the product have to work as expected for a given amount of time.

Let me use the example of the can opener project. Think of the total amount of features or characteristics of the can opener, what a user might expect from the product, and how long they would expect it to last.

**Scope**

Scope is related to the scope of the plan, which is the sum of its products. It is defined using the product breakdown structure and the Product Descriptions. It can be clearly seen that Scope (of the project’s main product) and Quality are tied together.

**Quality Management**

Quality Management is defined as the activities to direct and control an organization with regard to quality. Some of these activities are: defining quality, quality control, quality assurance, and quality improvement.
Quality Management Systems (QMS)
A Quality Management System is the complete set of quality standards, procedures and responsibilities for a site or organization. The majority of bigger companies have a Quality Management System in place, so a good first question to ask is “Do you have a QMS that can be used on this project?”

Quality Planning
For the project to meet the customer’s quality expectations and the acceptance criteria, the Project Manager must have a strategy in place. This involves identifying the necessary products and the quality criteria for each, planning quality methods (i.e. the necessary tasks for quality control and product acceptance), and designating quality responsibilities.

Quality Control
Quality Control focuses on the techniques and activities to inspect and test products. This would also include looking for ways to constantly improve Quality and remove less-satisfactory performance.

Quality Assurance
This is like Project Assurance but the focus is on Quality in the organization and not just quality related to the project. It is to make sure that the planned Quality activities are done.

  Quality Assurance
  • Provides a way to get an independent review of the Quality process;
  • Checks to see that it complies with company Quality standards; and
  • Ensures that Quality processes are in place.

Project Assurance is the responsibility of the Project Board, while the Corporate or Programme Management is responsible for Quality Assurance. You can also say that the role Quality Assurance is outside the project management team while Project Assurance is within the project management team.

7.5 Introduction to the PRINCE2 Approach to Quality:
The PRINCE2 approach to Quality has two parts: Quality Planning and Quality Control.

Quality Planning
• Quality starts with identifying all the products that the project wants to control. Remember that PRINCE2 is focused on the products from the start of the project – or as soon as they can be described and agreed, and before development starts.
• The next step is to write a Product Description for each product, which includes Quality criteria, how the products will be assessed, Quality methods to be used to design, develop and accept the products, and the responsibilities of the people involved.

Quality Control
• Quality Control implements and tracks the Quality methods used during the project.

7.6 Part 1: Quality Planning Introduction
Imagine a project that deals with building an apartment block. The customer is a mid-size property developer. As the Project Manager, you would need to be in agreement with the people who
represent the customer, the supplier and other stakeholders (e.g., architects) and have an idea of the quality of the finished apartment block, as well as how Quality will be controlled during the project.

The purpose of Quality Planning is to:

1. Agree on the overall Quality Expectations and Acceptance Criteria with the Project Board:
   - Document the Quality criteria (e.g., type of insulation, quality of materials used in the building, type of lighting fixtures and standards that must be meet).
   - Document how the Quality Criteria will be checked (e.g., using independent building inspectors, own staff measurements, etc.).
2. Communicate these agreements with all stakeholders:
   - All stakeholders must have a common understanding of what the project will produce.
3. Establish how Quality can be controlled during the project:
   - Set baselines and tolerances for each product (e.g., wall insulation should be grade 5 with +/- 10% tolerance; kitchen fittings should last 18 years +/- 5% tolerance, etc.)

As you can imagine, if these topics are not discussed up front, it can make for a very exciting project with everybody having their own idea on the finished product.

The following questions should be asked in Quality Planning:

1. What are the customer’s Quality Expectations?
2. How can we prove that we meet each specification?
3. What is the Acceptance Criteria that the Customer will use to accept products during or at the end of the project?

**7.6.1 Quality Planning Steps – Quality Audit Trail**

The first Quality Planning steps as shown in the diagram below are:

1. **Gather the customers Quality Expectations:** This is very general, high-level
   - Key Requirements for the main product (Project Product) to be produced
   - Identify standards that must be met and the Quality Management System to use.
   - Measurements that can be used to assess Quality (speed, size, noise, etc.).
     E.g. Think of a Laptop PC description on a website (just 2 or 3 pages).

2. **Acceptance Criteria:** Add the customer’s Quality Expectations and Acceptance Criteria to the Project Product Description (expectations that are measurable and prioritized)
   - Total building insulation must be grade 4 (Yes/No)
   - Yearly maintenance per apartment must be under €1,200 (Yes/No)

3. **Write the Project Product Description:** This also includes adding the following Quality-related data to the Project Product Description:
   1) The Project level tolerances – tolerance for the main product: e.g., outside noise-level has to be lower than a certain value +/- x%
   2) Acceptance method: stating how the Project Product will be accepted; and
   3) Acceptance responsibilities – defining who will be responsible for accepting.

4. **Create the Quality Management Strategy document:** This document defines the agreed strategy for Quality in this project or, in other words, the rules of engagement for Quality during the project. More about this later.
5. **Write Product Descriptions** for each of the main products in the main product and include the Quality information, such as:
   - Quality criteria for each product and quality tolerances.
   - Quality method, (i.e., how to carry out quality checks after product is created).
   - Quality responsibilities for creating, quality checking and approving the product.

This will be done for all the products that make up the main Project Product:
- E.g. Doors, walls, windows and fixtures.

Product-Based Planning (which will be discussed later) will provide a list of all products, and then you add the Quality information to each Product Description.

6. **Lastly, set up the Quality Register.** At first, it will be empty. You can get most of the data from the Plans documents (Product ID, Product Name, Producer, Approver, Target Review Date, Target Approve Date, etc.).

### 7.6.2 The Customer’s Quality Expectations

It is normally not an easy task to extract the **Quality Expectations** of a product from a client, and the answers you get can be very vague, but this must be done and must be done as early as possible in the project so that they can be listed in detail in the Project Product Description. In some projects the Project Product Description may be updated during the project in the Stage Boundary process. This is fine, as long as each change goes via the Change Control process.

Some companies may be in a rush to get the product out, or they may have budgetary issues so they think they can save on Quality. I have even seen projects where the funds were scarce at the start of the project, but once the product was out and customers were having issues, then lots of funds were available to start fixing. This approach is always a lot more expensive and bad for users.

Some good questions to ask to get the customer focused on Quality:
• What percentage of features should work when product is launched, and what is the budget for critical issues (e.g., fixes, recalls etc.)? **Tip:** Notice their reaction when you ask.

• What will be the cost to the company if the product cannot be used as expected at the end of the project (e.g., fines, keeping old product in service, etc.)?

**Prioritizing Quality Expectations:** Use MoSCoW

• They should be prioritized, starting with what the client finds most important.

| Prioritize technique: MoSCoW: This will be discussed later. It stands for 1) **Must have,** 2) **Should have,** 3) **Could have,** 4) **Won’t have for now.** You could also use: **High, Medium, Low or Not Required** but MoSCoW is better |

Example of the Customer Quality Expectations for an apartment block project

<table>
<thead>
<tr>
<th>Customer Quality Expectations</th>
<th>MoSCoW</th>
<th>Measure</th>
<th>Tolerance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elevator – Safety: Meet EC safety standard</td>
<td>M</td>
<td>EC 34575</td>
<td>None</td>
</tr>
<tr>
<td>Elevator – Usable for blind people</td>
<td>M</td>
<td>Check</td>
<td>None</td>
</tr>
<tr>
<td>Outside noise in all apartments – Standard: XC22</td>
<td>M</td>
<td>DB meter</td>
<td>None</td>
</tr>
<tr>
<td>All light fittings with a guarantee of 25 years</td>
<td>S</td>
<td>Warranty</td>
<td>+10%</td>
</tr>
<tr>
<td>Wall insulation should be R-11</td>
<td>S</td>
<td>Inspection</td>
<td>R11 to R12</td>
</tr>
<tr>
<td>All window insulation: R15</td>
<td>S</td>
<td>Inspection</td>
<td>R15 to R17</td>
</tr>
</tbody>
</table>

**7.6.3 List Acceptance Criteria**

The Acceptance Criteria is a prioritized list of attributes that the Project Product should have when complete. This is agreed between the Customer and Supplier in the very first process -- the Starting Up a Project process, and is therefore linked to the Project Product Description.

See the following table; this is a good example:

1. Attribute to be accepted (taken from the Customer’s Quality Expectations).
2. Prioritize status, such as “must have,” “should have” and so on.
3. Accepted status: Yes / No.

Once the Acceptance Criteria list is complete, it will become part of the Project Brief. The Acceptance Criteria should also be prioritized using the MoSCoW technique.

Here is an Acceptance Criteria example for a website project.

<table>
<thead>
<tr>
<th>Acceptance Criteria</th>
<th>MoSCoW</th>
<th>Yes / No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Users able to use 90% of functionality without help</td>
<td>M</td>
<td></td>
</tr>
<tr>
<td>Support costs lower than €5,000 per year</td>
<td>M</td>
<td></td>
</tr>
<tr>
<td>Appearance to match the approved design layout</td>
<td>M</td>
<td></td>
</tr>
<tr>
<td>Maintenance of all pages can be done by existing support person</td>
<td>S</td>
<td></td>
</tr>
<tr>
<td>Auto-password recovery, without need for any human intervention</td>
<td>M</td>
<td></td>
</tr>
<tr>
<td>Secure data area for registered partners</td>
<td>M</td>
<td></td>
</tr>
</tbody>
</table>

**7.6.4 The Project Product Description (Main Product)**

Don’t confuse the Project Product Description with the normal Product Descriptions. The Project Product Description is a description of the **main product** that will be produced by the project. The Project Product Description is created in the Starting Up a Project process and becomes part of the
Project Brief. The Product Descriptions are created in the Initiation stage as part of the planning activity.

The Closing a Project process to help verify that the project has delivered what was expected and that the acceptance criteria have been met uses the Project Product Description. A good example of a Project Product Description that I like to use is the information that is provided for a laptop computer on a computer website. There will be an overview description, features, specifications and guarantee information. See the websites of Dell, HP or Asus for an example. As you can see, it does not have to be 100 pages but more like 2 to 4 pages.

7.6.5 Project Product Description Example (NR*)
The best way to explain this is with an example of a product that most people are familiar, so I will choose an MP3 player: A UK technology company wants to bring out a new small, simple, killer MP3 player that they hope will compete very well with the current best-known brand. Notice the amount of Quality Information that is included in this description.

* NR means this is Not Required for the Foundation Exam

<table>
<thead>
<tr>
<th>Item:</th>
<th>MP3-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>Kick-Ass Device (KAD)</td>
</tr>
</tbody>
</table>

**Purpose**
The purpose is to create a high-end, stylish, light, thin and easy-to-use MP3 player for young people. It will include all normal features that are expected from an MP3, plus a number of unique features like Android-based, 2.5” touchscreen, expandable, Bluetooth headphones, and with a 2-year warranty. The RRP should be €120, which is about 25% more than current best-selling model on the market with a manufacturing cost of €60.

**Composition**
There are two main products, the MP3 player and the Bluetooth headphones

**MP3 Player Composition:**
- Android based MP3 Bluetooth player with support for Android Applications.
- 8GB to 16GB with SD slot to support further expansion.
- 2.5 touchscreen / scratchproof.
- Lithium-Ion battery.
- Standard USB connection for data transfer and charging.
- Processes ARM11 620 MHz

**Bluetooth Stereo Headphone:**
- Stereo Bluetooth headphones with microphone.
- Bluetooth version: 2.1.

**Derivation / Source From**
List of all items and products that will be used to create the final product but will not be part of the final product.
- MP3 requirements (dimensions, speed, battery performance, Bluetooth specs).
- Headphone requirements.

**Development Skills Required**
- User Interface: Experience in designing UI’s for media players (outsource).
- Technical Design: Experience in building portable electron devices (outsource).
- Etc.

### Customer’s Quality Expectations

<table>
<thead>
<tr>
<th>Customer Quality Expectations</th>
<th>MoSCoW</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Use – All Parts - 5 Years (Accelerate &amp; Aging Equipment will be use) - External Company</td>
<td>M</td>
<td>Inspection</td>
</tr>
<tr>
<td>Easy to use for first-time users (Survey 1,000 persons)</td>
<td>M</td>
<td>Survey</td>
</tr>
<tr>
<td>Support Android-based apps (no GSM or GPS support)</td>
<td>M</td>
<td>Inspection</td>
</tr>
<tr>
<td>Support integration with PC, Linux and Apple PCs</td>
<td>M</td>
<td>Inspection</td>
</tr>
<tr>
<td>Expandable SD Slot to support 8-, 16- and 32-GB cards</td>
<td>M</td>
<td>Inspection</td>
</tr>
<tr>
<td>2.5” Screen</td>
<td>M</td>
<td>Inspection</td>
</tr>
<tr>
<td>Battery Life – Normal user - 36 hours</td>
<td>M</td>
<td>Machine</td>
</tr>
<tr>
<td>Battery Quick-Charge - 80% in 30 minutes</td>
<td>S</td>
<td>Machine</td>
</tr>
<tr>
<td>USB for PC connection and for charging</td>
<td>M</td>
<td>Inspection</td>
</tr>
<tr>
<td>Scratch-proof Screen – Class 4</td>
<td>M</td>
<td>Inspection</td>
</tr>
<tr>
<td>Bluetooth distance -13 meters</td>
<td>M</td>
<td>Inspection</td>
</tr>
<tr>
<td>Bluetooth v2.1 stereo</td>
<td>M</td>
<td>EC4563</td>
</tr>
<tr>
<td>Headphones: Battery life - 12 hours play</td>
<td>S</td>
<td>Inspection</td>
</tr>
<tr>
<td>Headphones: with Microphone (use with phone)</td>
<td>M</td>
<td>Inspection</td>
</tr>
<tr>
<td>Headphones: Bluetooth range - 13 meters</td>
<td>M</td>
<td>Inspection</td>
</tr>
<tr>
<td>Etc.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Acceptance Criteria + Priority + Project Tolerances

<table>
<thead>
<tr>
<th>Acceptance Criteria</th>
<th>MoSCoW</th>
<th>Yes / No</th>
<th>Project Tolerances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit manufacturing costs – &lt; €50</td>
<td>M</td>
<td>+5%</td>
<td></td>
</tr>
<tr>
<td>Project Cost to develop and test product: &lt; €500k</td>
<td>M</td>
<td>+15%</td>
<td></td>
</tr>
<tr>
<td>5 Years – Average Test – Certificate from Test Company</td>
<td>M</td>
<td>+20%</td>
<td></td>
</tr>
<tr>
<td>Easy to use – with 90% of users</td>
<td>M</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Support Android Applications (no GSM or GPS support)</td>
<td>M</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Support for Windows, Apple and Linux PCs</td>
<td>M</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Expandable SD Card Slot – support 8-, 16-, 32-GB cards</td>
<td>M</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>2.5” touchscreen display</td>
<td>M</td>
<td>+10%</td>
<td></td>
</tr>
<tr>
<td>Battery Quick-Charge 80% in 30 minutes</td>
<td>S</td>
<td>+10%</td>
<td></td>
</tr>
<tr>
<td>Language Support: 23 languages</td>
<td>S</td>
<td>+30%</td>
<td></td>
</tr>
<tr>
<td>Dimensions 60mm x 60mm x 4 mm (H<em>W</em>D)</td>
<td>S</td>
<td>+7.5%</td>
<td></td>
</tr>
<tr>
<td>Weight : 28.3 grams</td>
<td>S</td>
<td>+10%</td>
<td></td>
</tr>
<tr>
<td>Etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Acceptance Method

- All Acceptance criteria have to be measured, inspected and approved, and this proof will have to be given for each Acceptance Criterion.
• All documents will be made available to Product Development Manager, S. Jones during the project by the Project Manager.

Acceptance Responsibilities
• Project Manager will collect all inspection, survey and other documents and hand them to the appropriate person(s).
• The Executive will confirm Project Costs and Manufacturing unit costs.
• Senior User will be responsible for all other Acceptance Criteria.

7.6.6 The Quality Management Strategy Document
A Quality Management Strategy is a document and a plan of action that defines the Quality requirements and the Quality Control method for all the products in the project. This document also confirms how the Quality systems and standards from the customer and supplier are going to be applied in the project. In other words, the Quality Management Strategy document defines how Quality will be done in the project.

This document is created at the Initiation Stage with the other strategy documents and becomes part of the Project Initiation Documentation.

The Quality Management Strategy answers the following questions:
1. Which Quality Management System to use. i.e., from customer, supplier or a mixture?
2. What standards will be used?
3. What tools and techniques will be used?
4. How will Quality Assurance be carried out?
5. Who is responsible for documenting the customer’s Quality Expectations and Acceptance Criteria?
6. Who is responsible for Quality Assurance, Approving the Quality Management Strategy, Confirming Acceptance of the Project Product?
7. What records will be required and where will they be stored?
8. How will the timing of Quality activities be executed?

*NR means, this is Not Required for the Foundation Exam

7.6.7 Product Descriptions
The Product Descriptions should be created for all the products as part of the planning activities and before the Project Plan can be completed. This is not always possible in each project; therefore Product Descriptions may be created or updated in the Stage Boundary process and the Product Descriptions will be agreed and baselined before development starts.

The typical content of a Product Description is similar to the Project Product Description. The contents are as follows (again, notice how much Quality information)

<table>
<thead>
<tr>
<th>Headings</th>
<th>Product Description Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identifier:</td>
<td>Unique product name: e.g., 047.</td>
</tr>
<tr>
<td>Title:</td>
<td>Name by which the product will be known: e.g., 250-Mb Hard disk.</td>
</tr>
<tr>
<td>Purpose</td>
<td>State who needs the product, why they need it, and what it will do.</td>
</tr>
<tr>
<td>Composition</td>
<td>List the parts that the product will be made up of.</td>
</tr>
<tr>
<td>Quality Criteria</td>
<td>e.g. Color, noise, size, durability, lifetime.</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Quality Tolerance</td>
<td>e.g. Color cannot fade in 10 years +/-10%.</td>
</tr>
<tr>
<td>Quality Method</td>
<td>e.g. Use machine to test color fading; use inspection.</td>
</tr>
<tr>
<td>Quality Skills required</td>
<td>e.g. What knowledge is required to be able to test.</td>
</tr>
<tr>
<td>Quality Responsibilities</td>
<td>e.g. Responsible for Producing, Reviewing and Approving.</td>
</tr>
</tbody>
</table>

### 7.6.8 Quality Register (NR)

The Quality Register is a diary of the Quality events that take place during the project, such as workshops, reviews, testing and acceptance. At first, the Quality Register will be empty and the Project Manager will get most data from the plans and Product Descriptions. Many Project Managers will use a spreadsheet for a Quality Register.

Here is an example of a Quality Register and, as you can see, you have columns for **Producer**, **Quality Reviewer**, and **Approver**. (See Target and Actual columns for Review and Approval.)

<table>
<thead>
<tr>
<th>Product ID</th>
<th>Product Name</th>
<th>Quality Method</th>
<th>Producer</th>
<th>Reviewers</th>
<th>Approver</th>
<th>Target Review Date</th>
<th>Actual Review Date</th>
<th>Target Approve Date</th>
<th>Actual Approve Date</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Wall Insulation</td>
<td>Inspection</td>
<td>JV</td>
<td>WP</td>
<td>RT</td>
<td>2/10</td>
<td>10/10</td>
<td>10/10</td>
<td>11/10</td>
<td>Pass</td>
</tr>
<tr>
<td>12</td>
<td>Heating Furnace</td>
<td>Inspection</td>
<td>TM</td>
<td>TL</td>
<td>RT</td>
<td>21/10</td>
<td>21/10</td>
<td>27/10</td>
<td>30/10</td>
<td>Fail</td>
</tr>
<tr>
<td>13</td>
<td>Kitchen Fittings</td>
<td>Performance test</td>
<td>MP</td>
<td>TL</td>
<td>RT</td>
<td>21/10</td>
<td>21/10</td>
<td>27/10</td>
<td>30/10</td>
<td>Pass</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inspection</td>
<td>AM</td>
<td>OH</td>
<td>BD</td>
<td>5/11</td>
<td>7/11</td>
<td>14/11</td>
<td>18/11</td>
<td>Pass</td>
</tr>
</tbody>
</table>

**Fig 7.2 The Quality Register**

I will explain the columns and give an example using the Elevator product in the apartment project.

1. **Product ID:** Just a product tracking number in the project (ex: 124).
2. **Product Name:** A common name to refer to the product (ex: “Elevator”).
3. **Quality Method:** Describes how testing will be done. (e.g., Inspection for the Elevator).
4. **Producer:** Who produces or installs the product, such as Otis (an Elevator Co.).
5. **Approver:** Who Quality-approves the product (ex: “John from Safety Company”).
6. **Target Review date:** When the product should be reviewed (ex: “June 20.”).
7. **Actual Review date:** Actual date that Review happened.
8. **Target Approve date:** When Project Manager will get Approval (ex: 1 week later).
9. **Actual Approve date:** Actual date when Project Manager received Approval.
10. **Result:** This can be *Pass* or *Fail*. 

---

Some material in this document has been sourced from Managing Successful Projects with PRINCE2® 2009 Edition. No part of this document may be reproduced in any form without the written permission of both Management Plaza and AXELOS Limited. Permission can be requested at support@mplaza.pm and licensing@AXELOS.com.
The Quality Register makes it easier for the Project Manager to follow up on Quality during the project, as they can check whether the Actual Target Review date and Actual Approve date columns are filled in or not. **This allows the Project Manager to control Quality.**

Full Quality Audit Trail (Quality History)
- As the Quality Register contains all the Quality activities and is continually updated during the project, it provides a full audit trail for Quality.

### 7.7 Part 2: Quality Control Introduction

What is Quality Control? Quality Control is carrying out the activities to control Quality as defined in the Quality Management Strategy. There are three parts to Quality Control, and I will explain each of them:

1. Carrying out the Quality methods: e.g., Quality Review Techniques.
2. Maintaining Quality and Approval records.
3. Gaining acceptance and pass Acceptance Record to the customer.

Think about the columns in the Quality Register; it’s the same information.

#### Fig 7.3 Quality Control

### 7.8 The PRINCE2 Quality Review Technique

The PRINCE2 Quality Review technique is a Quality Inspection technique. It has defined roles and a specific structure to follow. The purpose is to inspect products to see that they meet the customer’s Quality standards and meet the Quality criteria listed in the Product Description.

The Quality Review technique has four specific roles. The roles are:

- **Chairperson, Presenter, Reviewer and Administrator**

I will explain each so that they are easy to remember:

- **Chair**: Responsible for chairing the review meeting.
- **Presenter**: Presents the products and represents the producers of the product.
- **Reviewer**: Reviews products, submits questions, confirms corrections or improvements.
• **Administrator:** This person provides admin support for the chairperson (e.g., taking minutes and recording results and next actions).

## How is the Quality Review meeting run?

Here is an overview of how a Quality Review meeting might be run

- **Chair** would coordinate the introductions.
- The **Presenter** would provide a brief product introduction.
- **Chair** will invite each reviewer to ask questions about the product and if any further actions are needed. These are agreed and noted by the administrator.
- The **Presenter** can provide a product walk-through. Again, any required actions are agreed and noted. (**Note:** The Reviewer should also have seen the product before the meeting, so the Presenter does not have to go into detail.).
- Towards the end of the meeting, the **Reviewer** will read back the actions and responsibilities.
- Lastly, the **Chair** will decide if the product is complete, conditionally complete (few actions are yet required) or incomplete (another Quality Review meeting is required).

The next step after the product is completed is to request approval for the product. This is usually a signature from the person listed as approver in the Quality Register.

* NR means this is Not Required for the Foundation Exam.

### Objectives of the Quality Review Technique:

- To assess the products against their agreed criteria.
- To involve key stakeholders and help to promote quality and the project.
- To provide confirmation that the product is complete (get agreement) and baseline.
- To baseline (sign off) the product so no more changes can be made.

### Results of the Quality review meeting and the Quality Register

The main output is a decision to quality-approve the products or not. These are

- **Complete** : Mark at **Pass** in the Quality Register.
- **Conditionally complete:** Tidy up some minor issues; no need for another meeting.
  
  Note this in the Quality Register.
- **Incomplete** : Mark as **Fail** in the Quality Register.
  
  Create a new line for the next quality check.

To summarize, the purpose of the Quality Review technique is to inspect that the product is complete, and that it respects the customer’s quality standards and meets the quality criteria listed in the Product Description, and to identify any actions that are still required and promote quality.
7.9 Responsibilities

Here are some of the responsibilities relevant to the Quality Theme.

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corp / Programme Management</td>
<td>• Provide details of the Corp or Programme Quality Management System.</td>
</tr>
<tr>
<td></td>
<td>• Provide Quality Assurance to the project.</td>
</tr>
<tr>
<td>Executive</td>
<td>• Approve the Project Product Description.</td>
</tr>
<tr>
<td></td>
<td>• Approve the Quality Management Strategy.</td>
</tr>
<tr>
<td>Senior User</td>
<td>• Provides Quality Expectations and Acceptance Criteria for Project Product.</td>
</tr>
<tr>
<td></td>
<td>• Approve the Project Product Description.</td>
</tr>
<tr>
<td></td>
<td>• Provide acceptance of the Project Product (end of project).</td>
</tr>
<tr>
<td>Senior Supplier</td>
<td>• Provide resources to undertake supplier Quality activities.</td>
</tr>
<tr>
<td>Project Manager</td>
<td>• Document the customer’s Quality Expectations and Acceptance Criteria.</td>
</tr>
<tr>
<td></td>
<td>• Prepare the Project Product Description with other persons.</td>
</tr>
<tr>
<td></td>
<td>• Prepare the Product Descriptions with other persons.</td>
</tr>
<tr>
<td></td>
<td>• Prepare the Quality Management Strategy document.</td>
</tr>
<tr>
<td>Team Manager</td>
<td>• Produce products consistent with Product Descriptions.</td>
</tr>
<tr>
<td></td>
<td>• Advise the Project Manager of the product Quality status.</td>
</tr>
<tr>
<td>Project Assurance</td>
<td>• Give QMS advice to Project Manager.</td>
</tr>
<tr>
<td></td>
<td>• Assure the Project Board on the implementation of the QMS.</td>
</tr>
<tr>
<td>Project Support</td>
<td>• Provide administrator support for Quality Control.</td>
</tr>
<tr>
<td></td>
<td>• Maintain Quality Register and the Quality Records.</td>
</tr>
</tbody>
</table>

7.10 What you need to know for the Foundation Exam

You should:

• Be able to recognize different roles in a Quality Review Meeting.
  o These are Chair, Reviewer, Administrator and Presenter (Tip: CRAP, sorry PRINCE2).
• Be able to recognize the purpose of the Quality Theme.
  o The purpose of the knowledge in the Quality Theme is to define and implement a system that will create and verify that products are fit for use.
• Know the difference between Quality Assurance and Project Assurance.
  o Tip: who do Quality Assurance and Project Assurance report too?
• Be aware of the objectives of the Quality Review Technique.
  o See 7.8 The PRINCE2 Quality Review Technique.
• Be aware of the differences between the Customer Quality Expectations and Acceptance Criteria (see 7.6.2 and 7.6.3).
• Know the purpose of the Project Product Description, Product Descriptions, Quality Register and the Quality Management Strategy (and answer why each document is needed).
• Be aware of how the “Focus on products” principle is supported by the Quality Theme (you don’t need to know this for the exam).
8 Plans

8.1 Introduction to Plans Knowledge

Let us take a look at what will be covered in this Plans Theme:

• The purpose of the Plans Theme and how the information in this chapter can help you.
• Introduction to plans and planning, e.g., what a plan is and what does planning mean.
• The three levels of a plan and how it compares to the project team management levels.
• Introduction to different types of plans: the Project Plan, Stage Plan and Team Plan.
• Introduction to the Exception Plan, why it is used and when created.
• The PRINCE2 approach to Plans.
• Introduction to Product-Based Planning, which has 4 steps.
• The Product Checklist, its structure and value to the Project Manager.
• And finally, the responsibilities of the different roles in the Plans Theme.

8.2 What happens in the real world?

Most project managers seem to look around to see how other project managers do their planning, and then they follow a similar approach, as they first want to fit in with any standards that are used.

Project Managers who work in a Programme Environment will be able to take advantage of how projects have been done in the past and get examples of how Project Plans are to be created. These standard plans (templates) can be a great help.

PRINCE2 might give the impression that you need to know everything up front before you create the Project Plan and all Product Descriptions. This is possible with some projects, but with many IT projects, a more relaxed approach is required and each stage can be an iteration. So the Stage Boundary process can be used to create Product Descriptions for new products that will be created in the next stage.

One good thing to keep in mind is how you will communicate the Project Plan to the Project Board, as they are not interested in reading a 20- to 30-page document. You could ask the Executive how they want to receive this status information (ask about previous projects).

My own favorite planning/tracking/reporting tool is the product checklist. This is easy to create, maintain and read and, most importantly, it is a good way to communicate with stakeholders that need this information. You will find an example of a product checklist later in this Theme.

One of the first things I do with planning is to try and get an idea of scope. It is very easy for a project to start off as a simple project, but when you start to draw out the requirements in a Product Breakdown Structure, it shows exactly what this so-called simple project involves. The Product Breakdown Structure makes it easy to discuss the scope and requirements with the Senior User.

I have seen few Project Managers using the Product-Based Planning technique, especially the Product Breakdown Structure technique, which is a pity, as it is very useful. Perhaps the main reason for this is that Project Managers don’t get time to cover this in the training. Therefore, this manual includes a simple example and shows how you can use the indented list to help you get started. For the Foundation Exam, you just need to be aware how Product-Based Planning works.